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FINANCIAL CONDUCT AUTHORITY

Annual Return (AR30) form

Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuals Public Register https://mutuals.fca.org.uk. Our privacy notice explains how and why we use personal data: https://www.fca.org.uk/privacy.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here: https://www.handbook.fca.org.uk/handbook/RFCCBS

Section 2 – About this application

Society name	Parasol Homes Limited
Register number	8393
Registered address	Victoria House, 49 Clarendon Road, Watford
Postcode	WD17 1HP

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2.1 What date did the financial year covered by these accounts end?

3	0		0	6		2	0	2	3

Section 3 – People

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers. Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
Tina Barnard	February	1963
Yaseen Khan	June	1990
Marie Li Mow Ching	October	1951
Joy Malyon	April	1959
Elizabeth Armitage	July	1977
Sarah Smith	December	1974
Paul Frederick Reeves	December	1957
Adrian Lawrence Miller	October	1969
Alex Gipson	March	1968
Darren Levy	November	1967
Ben Harrison	May	1967

Continue on to a separate sheet if necessary. ***Continued at page 14***

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over ☒

3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified ☒

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3.4 Please state any close links which any of the directors has with any society, company or authority. 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

- John Turk is an Executive Director on the Parasol Homes Board and the Group Chief Executive Officer of Allerton Group Ltd (Parent Company of Parasol Homes).
- Ged Dempsey is Chair of Kenley Group / Supported Housing Fellowship.
- Yaseen Khan co-founder / owner of Allerton Group. Director and sole shareholder of Quinton Investment Holdings Ltd. Director of Brendon Group Ltd, Roland Housing Ltd, Allerton Housing Ltd, Allerton SPV15 Ltd, Allerton SPV8 Ltd, Allerton SPV Holdings Developments Ltd, Allerton SPV9 Ltd, Eastfield Road Ltd, Alelrton SPV23 Ltd, Brookland Investment Holdings Ltd, Allerton SPV20 Ltd, Allerton SPV19 Ltd, Allerton SPV21 Ltd, Allerton SPV18 Ltd, Stein Housing CIC, Allerton SPV22 Ltd, Allerton SPV25 Ltd, Allerton SPV28 Ltd, Allerton SPV27 Ltd, Allerton SPV26 Ltd, Allerton SPV24 Ltd, Brendon Housing CIC
- Kunal Dodia co-founder / owner of Allerton Group. Director of Brendon Investment Holdings Ltd. Director at Quinton Investment Holdings Ltd, Roland Housing Ltd, Allerton Housing Ltd, Allerton SPV15 Ltd, Allerton SPV8 Ltd, Allerton SPV Holdings Developments Ltd, Allerton SPV9 Ltd, Eastfield Road Ltd, Alelrton SPV23 Ltd, Brookland Investment Holdings Ltd, Allerton SPV20 Ltd, Allerton SPV19 Ltd, Allerton SPV21 Ltd, Allerton SPV18 Ltd, Stein Housing CIC, Allerton SPV22 Ltd, Allerton SPV25 Ltd, Allerton SPV28 Ltd, Allerton SPV27 Ltd, Allerton SPV26 Ltd, Allerton SPV24 Ltd, Brendon Housing CIC
- Tina Barnard is the Chief Executive of Watford Community Housing

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers. Societies must have a secretary.

Name of secretary	Month and year of birth	
Rebecca Andrews	**March**	**1998**

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Section 4 – Financial information

4.1 Please confirm that:

accounts are being submitted with this form	☒
the accounts comply with relevant statutory and accounting requirements	☒
the accounts are signed by two members and the secretary (3 signatures in total)	☒

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members	17
Turnover	**£16,995,121**
Assets	**£(3,315,548) Deficit**
Number of employees (if any)	**31.8**
Share capital	n/a
Highest rate of interest paid on shares (if any)	n/a

4.3 What Standard Industrial Classification code best describes the society's main business? Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: **http://resources.companieshouse.gov.uk/sic/**

68201 – Renting and operating of Housing Association real estate

Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance: https://www.handbook.fca.org.uk/handbook/RFCCBS

5.1 Please select the audit option the society has complied with:

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Full professional audit ☒

Auditor's report on the accounts ☐

Lay audit ☐

No audit ☐

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements ☒

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

Yes ☒

Not applicable ☐

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

Yes ☒

No ☐

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

Not applicable ☒

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OSCR number:	

5.6 Is the society a housing association?

No ☐ Go to **section 6**

Yes ☒ Go to question **5.7**

5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:

		Registration number
Homes and Communities Agency	☒	4728
Scottish Housing Regulator	☐	
The Welsh Ministers	☐	
Department for Communities (Northern Ireland)	☐	

Section 6 – Subsidiaries

6.1 Is the society a subsidiary of another society?

Yes ☐

No ☒

6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes ☐ Continue to question 6.3

No ☒ Continue to Section 7

6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

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Registration Number	Name

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:
https://www.handbook.fca.org.uk/handbook/RFCCBS

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Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society? For example, did you provide housing, manufacture goods, develop IT systems etc.

7A.2 Please describe the members' common economic, social and cultural needs and aspirations. In answering this question, please make sure it is clear what needs and aspirations members had in common.

7A.3 How did the society's business meet those needs and aspirations? You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

7A.4 How did members democratically control the society? For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

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7A.5 What did the society do with any surplus or profit? For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

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Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society? For example, did you provide social housing, run an amateur sports club etc.

Provision of social housing.

7B.2 Please describe the benefits to the community the society delivered? Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

1. Relieving poverty and homelessness through the provision of social housing.
2. Providing intensive housing management to individuals who require medium to high levels of support services.
3. Providing long term homes to vulnerable adults with complex care and support needs, where often, the only alternative would be an institutional setting.

7B.3 Please describe how the society's business delivered these benefits? The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.

1. Parasol Homes will relieve poverty and homelessness by providing high quality and bespoke accommodation to vulnerable adults. Parasol Homes works with Local Authorities alongside care and support providers on Local Authority frameworks to ensure that our tenants needs are met.
2. Parasol Homes has a Housing Department comprising of a Head of Housing, Regional Operations Managers and Housing Officers. Our experienced Housing Officers provide tenants who have experienced homelessness with intensive housing management. Other tenants with less severe yet complex needs are also provided a form of support by our Housing

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Officers. Parasol Homes also works with third party care and support providers to ensure that all tenants are receiving the care and / or support specific to their needs.

3. Parasol Homes properties are made available to vulnerable adults with a range of complex care and support needs. A significant proportion of our tenants require high levels of care (provided through third party CQC regulated care providers). Parasol Homes' properties ensure that the required care is provided to tenants in the comfort of their own homes and not in an institutional setting.

7B.4 Did the society work with a specific community, and if so, please describe it here? For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

Parasol Homes provides supported living housing for adults with learning disabilities, physical disabilities and mental health. Parasol Homes also provides accommodation for ex-offenders alongside individuals who are either experiencing homelessness or are at the risk of homelessness.

7B.5 What did the society do with any surplus or profit? For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?

Any and all surplus or profit generated by Parasol Homes will be reinvested into the business and will be utilised for further developing the business and maintaining ongoing operations.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest. Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

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Parasol Homes currently has service level agreements in place with a small number of care providers owned by Allerton Group Limited. The 100% Shareholder of Allerton Group Limited is also the 100% Shareholder of Allerton Housing which is the Parent company of Parasol Homes.

Parasol Homes has worked closely with solicitors to develop and implement a financial ring-fencing agreement between Parasol Homes and Allerton Housing. This ensures that all monies raised either via surplus or profit are reinvested directly into Parasol Homes and cannot be transferred to the Parent Company.

Additionally, the majority of Parasol Homes' commercial agreements are with third party support provider with whom there is no risk of a potential conflict.

The care providers owned by Allerton Group Limited with whom Parasol Homes currently has pre-existing service level agreements are all CQC registered and regulated care providers who operate on Local Authority frameworks. Additionally, Parasol Homes employs Housing Officers who are fully involved with the housing management of all tenants to ensure that the tenancies are maintained to the highest standards.

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Section 8– Declaration

The secretary of the society must complete this section.

Name	**Deirdre LaBassiere**
My signature below confirms that the information in this form is accurate to the best of my knowledge	
Signature	DocuSigned by: Deirdre LaBassiere 2CE0164103F1498...
Position	**Head of Governance & Company Secretary**
Date	**23.02.2024**

Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: mutualsannrtns@fca.org.uk.

Or you can post the form to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the Mutuals Society Portal:
https://societyportal.fca.org.uk

Registered as a Limited Company in England and Wales No. 1920623. Registered office as above

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Section 3 – People (Continued from page 2)

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers. Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
Ian Watson	January	1961
Shendi Keshet	February	1960
Kunal Dodia	May	1989
John Turk	October	1963
Sara Martin	December	1974

Continued from page 2.

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Parasol Homes Limited

Annual Report and Financial Statements
For the Year Ended 30 June 2023

Regulator Social Housing Provider Number: 4728

Financial Conduct Authority - Community Benefit Society Registered Number: 8393

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Registered Social Housing Provider Information

Regulator Social Housing Provider Number: 4728

Community Benefit Society Registered Number: 8393

Members of the Board

Chair:

Tina Barnard – Non-Executive Director (Appointed Interim 24.05.2023 and Permanent 15.01.2024)
Yaseen Khan – Non-Executive Director (Appointed on 11.04.2023 and Resigned on 24.05.2023)
Alex Gipson – Non-Executive Director (Appointed as Interim Chair on 21.11.2022 and Resigned on 11.04.2023)
Marie Li Mow Ching – Non-Executive Director (Appointed 18.07.2022 and Resigned 07.11.2022)
Joy Malyon – Non-Executive Director (Resigned 18.07.2022)

Board Members:

Elizabeth Armitage - Non-Executive Director (Resigned 30.08.2022)
Sarah Smith - Non-Executive Director and Chair of Audit and Risk Committee (Resigned 31.08.2022)
Paul Reeves - Non-Executive Director/Member of Audit and Risk Committee (Resigned 02.09.2022)
Adrian Lawrence Miller - Non-Executive Director/ Member of Audit and Risk Committee (Resigned 02.09.2022)
Alex Gipson – Non-Executive Director (Appointed 22.08.2022, Resigned 11.04.2023)
Darren Levy – Non-Executive Director (Appointed 22.08.2022)
Ben Harrison - Non-Executive Director (Appointed 22.08.2022)
Ian Watson - Non-Executive Director (Appointed 22.08.2022, Resigned 20.11.2023)
Tina Barnard - Non-Executive Director (Appointed 22.03.2023)
Shendi Keshet - Non-Executive Director (Appointed 22.03.2023)
Ged Dempsey - Non-Executive Director (Appointed 22.03.2023)
Yaseen Khan - Non-Executive Director (Appointed 11.04.2023)
Kunal Dodia - Non-Executive Director (Appointed 11.04.2023)
John Turk - Executive Board Member (Appointed 22.03.2023)

Executive Directors on the Board:

Sara Martin - Director of Housing (Resigned 19.01.2023)
Hony Premlal – Interim Managing Director (Appointed 24.01.2023, Resigned 22.03.2023)

Secretary

Tanvi Joshi (Resigned 21.02.2023)
Rebecca Andrews (Appointed 22.02.2023, Resigned 22.09.2023)
Jane Jolly (Appointed 23.09.2023, Resigned 26.10.2023)
Anthony Jenkins (Appointed 27.10.2023, Resigned 06.12.2023)
Deirdre La Bassiere (Appointed 07.12.2023)

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Registered office

49 Clarendon Road
Watford
WD17 1HP

Independent auditor

Blick Rothenberg Audit LLP
Chartered accountants and Statutory Auditor
16 Great Queen Street
London
WC2B 5AH

Solicitors

Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

Frettens LLP
The Saxon Centre
Christchurch
BH23 1PZ

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BOARD CHAIR STATEMENT

Welcome to our Annual Report and Financial Statement for the year ending June 30, 2023. I am pleased to present this report in my capacity as the Chair of the Board, a role I assumed on January 15, 2024. Additionally, I served as the Interim Chair from May 2023 during a challenging time for Parasol Homes. We have faced numerous difficulties due to both external factors beyond our control, such as high inflation, the rising cost of living and regulatory changes as well as the burden of historic issues that remain not resolved fully. These challenges have put pressure on our operations and finances. However, we are actively collaborating with our stakeholders, including landlords and the Regulator of Social Housing ("RSH"), to minimise the impact on our customers and to improve their lives.

During the latter stages of 2022 we took the difficult strategic decision to exit non-social housing leases that were not performing well operationally and financially which reduced any undue stress on our remaining social housing assets. This process was completed with careful consideration to ensure we minimised the effect on our customers. The past year has been a period of meaningful change for Parasol Homes. We welcomed new Board members, and four different Chairs were appointed through this period. Since these decisions and Board appointments, and together with our parent company, we have stabilised our organisational structure and are now in a position to address the previous shortcomings that led to the issuance of a Regulatory Notice in December 2021. We are building a team filled with expertise, knowledge, and drive to ensure that we provide high-quality, well-governed, and financially viable housing that offers value for money to our customers.

Parasol has been actively working with the RSH to ensure that we have accountable, transparent, and improved governance. We are implementing the necessary infrastructure, risk management processes and procedures to ensure that Parasol becomes a compliant and viable organisation. With our experienced and supportive Board and newly appointed Executive Leadership Team, we are continuously making improvements and finding innovative solutions to deliver good services to our customers. We take pride in offering high-quality and safe housing that enables our customers to live fulfilling lives.

During this year, we have invested time and resources to enhance the customer experience. We have introduced local Tenant Voice Groups and a Tenant Committee to prioritise tenant satisfaction and ensure their voices are heard. We are also launching a new website in February 2024, which will provide up-to-date information on our services, safety guidelines, complaint procedures, and other housing-related matters. The website will also feature our updated key policies and provide a platform for stakeholders to connect with Parasol. Regular cashflow forecasts, management accounts, and precise tenancy and asset data have enhanced internal reporting. This remains an area of focus to continually improve on to ensure we can demonstrate transparent, reliable, and regular reporting that provides assurance to the Board, Regulator, and all our stakeholders.

Responsibilities of the Board and its Committees

The Board is responsible for setting the organisation's mission, vision, values, and goals. They oversee the strategic direction, approve budgets and long-term financial plans, and monitor performance. The Board also establishes and maintains internal control systems.

The Board met throughout the financial year to fulfil their responsibilities. Although the Audit and Risk Committee were scheduled to meet throughout the year, due to changes in members the first meeting was not held until April 2023. The commitment continued and the Board and Committees have met since the year end.

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BOARD CHAIR STATEMENT (Continued)

Responsibilities of the Board and its Committees (continued)

We acknowledge that the issues identified by the Regulator did not arise solely in the previous financial year. They were partly a result of the challenges faced by our small organisation striving to meet significant accommodation demands. We recognise the need to build the right infrastructure, including people, systems, and finances, to support our growth and mitigate risks. We are rectifying the mistakes made and are committed to rebuilding Parasol into an organisation of ambitious standards.

Executive Leadership Team

Our Executive Leadership Team ("ELT") has been strengthened by the permanent appointment of our Managing Director to lead the other experienced and skilled members of the team. There has been a focus on strengthening relationships with stakeholders, including local authorities, tenants, landlords, care providers and the RSH. Regular communication and engagement have been prioritised to ensure that their needs and concerns are heard and addressed.

ELT has been proactive in identifying and addressing operational inefficiencies and cost-saving opportunities. They have implemented new systems and processes to streamline operations and improve efficiency.

Committed to fostering a culture of continuous improvement and learning within Parasol Homes, they have implemented regular training and development programs for staff to enhance their skills and knowledge, leading to improved service delivery and customer satisfaction.

The ELT at Parasol Homes has made considerable progress in improving the organisation's operations, compliance, and overall performance, and is motivated to continue and amplify this improvement across the next year. They have demonstrated a strong commitment to customer service, stakeholder engagement, and continuous improvement. With their leadership and dedication, Parasol Homes is well positioned to overcome the challenges it faces and deliver high-quality housing services to its customers.

Annual Compliance Statement

We are continuing to work actively to improve the organisation in the areas of concern and non-compliance. The Parasol Board undertook a self-assessment of compliance against the RSH Regulatory Framework, Standards and NHF Code of Governance. We have developed a clear road map to become a compliant Registered Provider and meet the required standards. The Board also took the decision, due to extenuating circumstances at the time, for the new Interim Board Chair to remain on the Audit & Risk Committee (ARC) as a member and departed from the NHF Code of Governance 2020. Recruitment of the permanent Board Chair and subsequently the ARC Chair has now been completed, and additional ARC members are being recruited.

Governance

During the financial year, Parasol Homes recruited new Non-Executives to the Board. In pursuit of robust governance practices, we will conduct a comprehensive evaluation of their skills and diversity to ensure the overall effectiveness of the Board.

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BOARD CHAIR STATEMENT (Continued)

Governance (continued)

Key initiatives in this regard include:

1. **Self-Evaluation:**
   - Requesting our non-executive members to engage in a reflective self-evaluation process.
   - Assessing individual contributions and identifying areas for personal and professional development

2. **Board Skills Matrix**
   - Developing a comprehensive skills matrix to systematically map the expertise and competencies of our Board members.
   - Ensuring a balanced distribution of skills to address the diverse challenges and opportunities facing Parasol Homes.

3. **Governance Framework**
   - Strengthening our governance framework to align with industry best practices and regulatory standards.
   - Regularly reviewing and enhancing governance policies and procedures to foster transparency and accountability.

Through these measures, Parasol Homes is dedicated to fostering a Board environment that thrives on independence, diversity, expertise, and effective governance. This commitment reflects our ongoing efforts to uphold the highest standards of governance and value creation for our stakeholders.

Identification and Evaluation of Key Risks

The new Board has identified gaps in the previous risk management processes and is working with the ELT to implement appropriate policies and procedures. We will establish a formal and ongoing process to manage significant risks and regularly report on them to the Board. This process was not formally documented for the current financial period but will be improved in the future.

The Board will adopt a risk-based approach to internal controls, consistent with best practices in the sector. We will review the effectiveness of the internal control system and make necessary changes. The top risks identified for Parasol Homes relate to non-compliance with legislation and regulation, and we will address these risks.

As part of our commitment to transparency and accountability, Parasol Homes is dedicated to addressing the gaps in our risk management processes and fortifying our internal controls. The Board is actively engaged in overseeing these efforts to safeguard the organisation's interests and uphold governance and regulatory standards.

Environment and Control Procedures

The Board retains responsibility for strategic, operational, financial, and compliance issues. We have established policies and procedures to address delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention.

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BOARD CHAIR STATEMENT (Continued)

Governance (continued)

Information and Financial Reporting Systems

We aim to improve financial reporting procedures by implementing detailed budgets, management accounts, and forecasts. We will regularly review key performance indicators to assess progress towards our objectives. This lack of formal reporting during the current year will be rectified in the future.

Monitoring and Corrective Action

We have drafted a new Risk Management Framework, which is awaiting Board approval. This framework will provide the necessary internal controls to manage risks effectively. We have implemented a successful Risk Register, which is regularly reviewed by the Executive Leadership Team and scrutinised by the Audit and Risk Committee and Board.

Conclusion

In conclusion, we are committed to delivering on our commitment to our customers and improving the overall performance and compliance of Parasol Homes. We are grateful for the ongoing support and assistance from our Parent, landlords, and the RSH for continuing to work with us through this period of transformation. We are implementing changes, addressing shortcomings, and working towards becoming a well-governed and financially viable organisation.

DocuSigned by:
Tina Barnard
ED5A83449ED7456...

Signed
Tina Barnard
23 February 2024

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Board Report (including Strategic Report)

The Board of Parasol Homes presents its report, including the strategic report and the Financial Statements for the year ended 30 June 2023. This means that although comparisons are provided, they are not directly comparable.

Members of the Board (During financial period):

The members of the Board were as follows:

Joy Malyon – *Chair*

Paul Reeves – *Non-Executive Director*

Sarah Smith – *Non-Executive Director*

Adrian Lawrence Miller – *Non-Executive Director*

Elizabeth Armitage – *Non-Executive Director*

Sara Martin – *Director of Housing – Non-Executive Director*

Ian Watson – Non-Executive Director

Alex Gipson – Interim Chair

Hony Premlal – *Executive Director*

Members of the current Board:

Tina Barnard – *Chair*
Tina is a qualified accountant who has worked in social housing for over 30 years. Tina is currently Chief Executive at Watford Community Housing, which provides housing and support to c6,000 households in South-West Hertfordshire. Tina has been Finance Director for three different housing providers, the first of which was New Era Housing Association (now Dimensions) which provides personalised social care for people with learning disabilities and autism. Tina has also been on the board of various not-for-profit organisations as well as strong housing and financial skills, bringing strong governance skills to the board.

John Turk – *Group Executive Board Member*
John graduated in Civil Engineering and has over 30 years' experience in the health, social care and social housing sectors. As Managing Director of Social Housing for the charity subsidiary of Clarion Housing Group, John was responsible for 11,000 units of Supported Housing for residents with learning disabilities and mental health challenges. John is Chair of Health & Independent Living Support (HILS); a Community Benefit Society supporting 15,000 people to maintain their health, happiness, and independence in their own homes. John is Group Chief Executive of the Allerton Group and brings a determination to see that vulnerable tenants are well catered for in the housing market, receiving the support they require to thrive and live the life they choose in a home they love.

Darren Levy – *Non-Executive Director*
Darren joined the Parasol Board in August 2022. Darren has over 30 years' experience delivering and leading housing, property, asset management and development services across public, private, and charitable sectors. He spent several years as a consultant and interim executive, working with a range of registered providers across the UK delivering business change and transformation. Over the last 15 years, Darren has also held a range of non-executive roles within third sector and housing organisations.

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Board Report (including Strategic Report) (continued)

Members of the current Board (continued):

Ben Harrison – *Non-Executive Director*
Ben is a highly experienced and committed housing professional and has worked in the housing sector since 1990 for local authorities, housing associations and charities. Ben has primarily worked in the supported housing sector and occupied roles in asset management, property development, housing management and strategy and policy development and his most recent post was that of Managing Director of Forward Housing, a housing charity and part of the Thera group of companies. Ben is passionate about ensuring that tenants get the best possible service and are given the opportunity to live in quality accommodation, one that provides them with a home that genuinely meets their needs.

Yaseen Khan – *Non-Executive Director*
Yaseen plays a pivotal role at Allerton Group, bringing over 10 years' of Real Estate experience and has a background as housing specialist barrister. With a keen strong understanding of property related issues, he excels at swiftly analysing the viability and investment strength of assets. This strength has empowered the Allerton Group to source and complete assets in a competitive marketplace starting with no capital. Yaseen's involvement in all aspects of business growth of the business as well as managing the challenges, provides a unique insight into property, developments and care and support. This long-term sustainable view allows tenants to stay in a property they can truly call home.

Kunal Dodia – *Non-Executive Director*
Kunal is a key figure at Allerton Group, contributing to the Group's vision. He began his career as a lawyer specialising in contentious and non-contentious insolvent restructuring and corporate M&A. Kunal continued his career heading up the litigation team for one of the UK largest fintech asset-based lenders. Kunal has a passion to innovate the social care and housing sector, building truly diverse teams and making use of technology to deliver excellent value to stakeholders.

Shendi Keshet – *Non-Executive Director*

Shendi is a qualified accountant originally from Canada and has experience as a Finance Director in the private, public and housing sectors, most recently at a large housing association in the southwest of England. Shendi speaks nationally and drafts articles in the housing press. With a particular interest in developing risk management frameworks and enabling businesses to create and integrate social value reporting within traditional financial reporting frameworks, she is keen to explore new software which supports new ways of gathering data, enabling the automation of such reporting. Shendi has many years' experiences working on boards, enabling businesses to thrive both at international and national levels.

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Board Report (including Strategic Report) (continued)

SUPPORTING INDEPENDENCE

Parasol Homes is a private national Registered Provider of Social Housing providing specialised supported housing and is extremely proud to provide vulnerable adults with safe and secure homes of their own with innovative and responsive care and support services. This enables our customers to sustain their tenancies and lead independent and fulfilling lives. Parasol Homes delivers a critical service to customers within our communities, as unfortunately there is simply not enough provision of excellent quality supported housing for vulnerable adults with complex needs. Indeed, the projected demand for supported housing in England is estimated to increase by 125,000 by 2030. Continuing budget pressures and rising costs on statutory services means that local authorities and other commissioners are continuing to prioritise services which are high quality, cost effective and which provide an alternative to traditional forms of institutional settings. Whilst specialised supported housing delivers these vital cost savings it also brings such positive outcomes for vulnerable adults allowing individuals to remain in their local community and away from institutionalisation and dependence. Over the last five years we have worked hard to address this significant unmet demand for accommodation and provided lifetime quality homes to support people on their pathway to independence.

With the needs of our customers and future customers in the forefront of our vision we have looked at the economic, political, and environmental landscapes and have set out our future aims and strategic priorities. Longer term our desire is to increase our supply of specialised supported accommodation particularly to further meet the needs of the communities we already work in, alongside our core responsibilities of ensuring that our existing homes are well maintained and properly invested in and that our customers are happy with their care, support, and accommodation. The current Board has made the decision to prioritise organisational improvements required to ensure a long-term sustainable business model ahead of any growth plans. This will include a clear focus on Parasol Homes evidencing compliance with all standards set by RSH.

As part of that process the current Board has made the decision to revisit its strategic vision, aims and objectives and to ensure they are delivered through efficient operations with robust processes that fully supports our journey to compliance with the RSH Standards.

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Board Report (including Strategic Report) (continued)

OUR MISSION STATEMENT

Supporting our customers and building communities through high quality housing interventions.

OUR VISION

To be an organisation known for the quality of its homes, which enables customers to maximise their independence, and meets the needs of our partners and the communities we work in.

Strategic aims and objectives:

- Provide excellent quality, secure, professionally managed and maintained homes to meet the specialised supported housing needs of our current and future customers in the communities we work in, which supports our compliance with the Regulator of Social Housing's Consumer Standards.
- Support our customers as individuals to live the life they choose and achieve independence which supports our compliance with the RSH's Consumer standards.
- Be a financially robust organisation, generating funds which can be properly reinvested back into our housing stock and services for the benefit of our customers, providing a long-term & financially viable housing provision to our client base.
- Carefully manage our resources so we are well governed and have the finances, people, technology & key partners to succeed.
- Develop and maintain a range of key partnerships to help us achieve our objectives.

As we stabilise the organisation, our key goals are to:

- Collect and analyse detailed stock condition and energy efficiency information.
- Devise an energy efficiency strategy to plan meeting future standards and to secure relevant funding opportunities.
- Invest in our current stock by developing and delivering our cyclical maintenance programme.
- Develop and implement an asset management strategy with targeted value for money efficiencies.
- Increase opportunities for customer feedback and involvement.
- Consider how to grow the number of properties owned or managed against clear metrics which ensure the ongoing financial viability of Parasol Homes continues to improve.

OUR PEOPLE

People are important to us at Parasol Homes. Our team of passionate and dedicated housing professionals work together with our partners, commissioners, and our Board to provide our customers with the best possible homes, care, and support services.

We take great pride in our commitment to customer satisfaction. Placing our customers at the core of our operations remains a steadfast principle. Our dedicated team consistently delivers excellence in customer service, reinforcing our customer-centric approach.

In our partnerships, we collaborate with like-minded organisations that share our values and commitment to quality. While, like any collaborative efforts, we may encounter occasional differences with our partners, we approach such situations constructively, seeking resolution through open communication and mutual understanding.

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Board Report (including Strategic Report) (continued)

This commitment to positive collaboration, coupled with the assurance of providing a stable permanent home, is a cornerstone of our ability to make a lasting impact on the lives of our customers, reflecting our dedication to creating enduring and positive outcomes for those we serve. We work with local authorities, commissioners and partners who identify vulnerable adults in need of our services.

For many of these organisations a challenging funding regime has left them unable to invest in long-term supported accommodation solutions. This has resulted in many vulnerable adults sadly being housed unsuitably, or having to remain in institutional settings, which not only limit independence, but are expensive to provide. Further, the lack of move-on options for these vulnerable adults can result in there not being spaces for others in need. We are delighted to have been able to continue to work in many partnerships to deliver and develop our services and find solutions to challenging housing issues over the past year to best meet the needs of the localities we work within.

Following the financial year end, Parasol Homes commenced a restructuring process, which includes the establishment of a new Board, the permanent appointment of the recently appointed Interim Managing Director and formation of an Executive Leadership Team ("ELT").

OUR HOMES

During this accounting period and beyond we have continued to work in partnership with commissioners, funders, and providers to provide high quality services for our customers. Where either location or financial viability did not fit within our overall long-term strategy, Parasol Homes handed back some properties working with key partners to ensure ongoing service delivery to residents after the year end.

Our properties are refurbished to a high standard. The quality of our homes along with our services are especially important to us as we want to exceed our customers' aspirations. The organisation is a springboard for enabling our customers to lead independent lives and sustain their tenancies. These positive outcomes for our customers and regeneration of properties also add significant benefits to the communities we work within.

We manage our assets according to our Asset Management policy to ensure our homes remain over and above what is required under the *Decent Homes Standard*. To do this we carry out stock condition surveys, keep our asset database up to date and maintain an investment plan and examine this regularly adjusting responsive and planned works priorities accordingly. These arrangements are reviewed annually to ensure they reflect our current and future strategic property needs.

As a caring and responsible landlord, compliance is a critical function for us at Parasol Homes. With the health, safety, and wellbeing of our customers at the heart of our work we always strive for 100% compliance in all areas. Where health and safety incidents do arise, we strive to resolve them compassionately and effectively.

Although a national provider, we are proud of the local service provision, which is tailored to the needs of each area and individual customers. Our continued feedback shows us that our customers appreciate the local services, which are delivered by trusted staff with whom our customers have built up a rapport with over time. To further enhance these services, we continually review our systems and procedures for greater value for money efficiencies coupled with stronger customer satisfaction outcomes.

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Board Report (including Strategic Report) (continued)

OUR PERFORMANCE

We are committed to managing our resources to provide quality cost-effective services for our customers. Here are several of our key performance highlights from this accounting period:

Number of responsive repairs raised including cancelled: 4246
New units onboarded: 38
Units offboarded: (626)
Social Housing rental income net of service charges – £9,498,929 (2022 - £10,626,082)

Goal	Key Performance Indicator	22-23 Year Target	22-23 Year Actual	21-22 Year Target	21 – 22 Year Actual
Maintain Assets	% of Response Times Met for Completed Emergency Repairs (24 Hours)	>98%	89%	>98%	55%
	% of Response Times Met for Completed Urgent Repairs (5 Days)	>98%	92%	>98%	40%
	% of Response Times Met for Completed General Repairs (20 Days)	>98%	98%	>98%	75%
	% of Weekly H&S Checks Complete	=100%	100%	=100%	100%
	% of Valid Gas Certificates	=100%	97%	=100%	92%
	% of Valid Electrical Certificates	=100%	98%	=100%	97%
Managed Growth	Net Change in No of Homes	NA	-626	NA	-44
	Occupancy %	>85%	78%	>85%	76%
	Void %	<15%	22%	<15%	24%

Due to significant changes within the organisation KPIs were not formally approved through the 2022-23 financial year. Additional KPIs have, post year end, been set and are regularly reported on giving the Board comfort with data assurance and confidence in service delivery and improvement. New KPIs and continuous improvement will be a focus of our new Tenant Committee to enhance and provide assurance to the Board. As no formal KPIs are agreed, the ELT have used industry standard targets to measure the performance of the organisation and report these to our stakeholders including the Board.

Service delivery has improved in 2022-23 and post year end surrounding the core responsibilities of the organisation, however further work to continuously improve has commenced. The Tenant Committee has been established post year end and this provides a platform for our tenants to voice their views, tenant satisfaction, management of complaints and compliments, and delivery of quality through Housing and Asset Management which remains a focus.

Accountability and transparency are a fundamental part of the organisation, and the proposed new Regulatory Standards will drive quality and assurance forward. These changes are enhancing the way we work and report and are improving performance.

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Board Report (including Strategic Report) (continued)

THE EXTERNAL ENVIRONMENT

External factors are continuing to play a significant role in the national housing environment. Increased demand for services without a corresponding increase in investment, alongside the widespread increase in the cost of utilities have affected both eligible and ineligible service charges.

To monitor and reduce the impact of the utility crisis, Parasol Homes continues to work with a utilities broker in securing the best market prices for all utilities. Additionally, Parasol Homes' rent setting process is fair and transparent as it involves analysis of true costs incurred with an appropriate inflation overlay.

CLUSTERING AND REGIONAL SYNERGIES

Concentrating the focus for much of our future growth in the areas within which we currently successfully operate and within our areas of expertise enables Parasol Homes to gain greater efficiencies which include:

- Organisationally by reducing staffing and overhead costs.
- Meeting a greater and more diverse range of customer needs in the communities we work within.
- Assisting our Local Authority partners to meet more of their local housing needs.
- Further developing stakeholder and partner relationships to work in greater collaboration to meet the further needs of the locality whilst sharing service costs.

The Board, the Audit & Risk Committee and ELT believe that this coordinated and planned approach assists us in meeting our strategic aims, objectives and vision and strengthens our compliance with both the economic and consumer regulatory standards.

The new Board and ELT has identified that a renewed approach to our strategic aims, objectives, vision, and value for money is required to meet the required financial viability of the organisation.

Our focus is on building our financial strength and capacity to ensure that we are well placed to effectively operate within the current changing landscape of the cost-of-living crisis and continue to be a key contributor in supporting the many Local Authorities where we operate in meeting the prevailing increase in specialised supported housing demand.

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Board Report (including Strategic Report) (continued)

STRATEGIC REPORT

Operating and Financial Review and Report of the Board For the Year Ended 30 June 2023

Report of the Board

The Board of Parasol Homes ("Parasol Homes" or "the Company" or the "Housing Association") presents its report together with the audited Financial Statements of the Company for the 12 months ended 30 June 2023.

The Company is a Community Benefit Society registered with the Financial Conduct Authority (Number 8393).

Principal Activity

The Company's principal activity is the provision of intensive housing management to support its residents to sustain their tenancies and enable them to lead independent lives.

Board Members and Executive Directors

The present Board members and Executive directors of the Housing Association are set out on page 3. All executives work within the authority delegated by the Board. Organisational insurance policies indemnify Board members and officers against liability when acting for the Company.

Employment Contracts

Board members are paid based on a scale reflecting their relative responsibilities to the Company. The total amount paid to Board members during the year was £32,421 (2022 - £24,075).

Pensions

The Housing Association operates a defined contribution Personal Pension Plan. All members of staff, including ELT, may participate in this pension scheme under the same terms.

Accounting Policies

The Housing Association's principal accounting policies are set out on pages 38 to 42 of the Financial Statements.

The Company has prepared the Financial Statements in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard ("FRS 102") and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2022.

Housing Properties

All housing properties have been acquired through either long-term or short-term leases. The longest term being 25 years, all leases are operating leases as the life span of all assets is longer than the lease period and the Housing Association will not have ownership of the asset because of the lease.

Cash Flows

Cash inflows and outflows during the period are shown in the cash flow on page 37.

Risks

The process for identifying, evaluating, and managing the risks faced by the Company is a prime objective, and managed through a risk register at operational and strategic level, which is reviewed by ARC and the Board.

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Board Report (including Strategic Report) (continued)

VALUE FOR MONEY STATEMENT

Parasol Homes is a social landlord with social purpose with a commitment to achieve value for money for our customers, stakeholders, and the communities we work within. Parasol Homes spends money wisely by innovating and consulting with our customers, staff, and stakeholders to make the right choices.

Being efficient and effective is critically important. We do not distribute profits, so every penny is reinvested back in our homes and services for the benefit of our customers. Parasol Homes aims to achieve a blend of service excellence and value for money through our robust approach to investment appraisal and operational decision making. Getting the best value for money is one of Parasol Homes' strategic objectives. The Board are an integral part in ensuring this is achieved, it is clearly demonstrated that Parasol Homes fulfils the diverse range of housing needs of our customers.

Parasol Homes aims for compliance with the Regulator of Social Housing's Value for Money Standard against which Registered Providers are expected to report in their Financial Statements. The standard includes seven metrics but does allow and expect Boards to choose other metrics to demonstrate how we are performing against our prioritised performance indicators and objectives.

A Registered Provider is required to report on its Strategic Objectives in terms of the approach agreed by the Board. The strategy for the delivery of additional homes while achieving optimal benefit from resources by being efficient and economical is to be included in the statement.

Parasol Homes' approach to achieving value for money is not just about saving money. It is about delivering services in the most efficient ways possible whilst meeting the needs of our customers, stakeholders, and the communities we work within.

Further information will be provided on an ongoing basis through an updated Value for Money Policy and Procedure which will be reviewed by the Board during the current financial year.

THE SUPPORTED HOUSING MARKET

Parasol Homes is providing a critical service to our customers and the communities we work in. There is simply not enough support housing for vulnerable adults with complex needs. Indeed, the projected demand for supported housing in England is estimated to increase by 125,000 by 2030. Continuing budget pressures in social services departments means that local authorities and other commissioners are continuing to prioritise services which are high quality, cost effective and which provide an alternative to traditional forms of institutional settings. Through our work we are addressing significant unmet demand for accommodation that can support those with high needs.

Our interventions enable our residents to maintain their independence and dignity and support our commissioning partners with a positive solution for the most vulnerable in our society. At the same time our work maintains and builds communities through providing high quality appropriately designed housing.

From 2003, funding for housing support was provided through the Supporting People programmed, however in 2009 the Supporting People ring-fence was removed, and from 2011/12 the funding was rolled into the single Formula Grant given to local authorities. This grant has been reduced over time and as local authorities have had to make tough decisions about how they spend their limited resources, non-statutory services in general, and housing related support specifically have often been a casualty.

Therefore, our funding model is based on our residents claiming housing benefit to cover the costs of their intensive housing management and property maintenance.

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Board Report (including Strategic Report) (continued)

OUR CUSTOMERS

Our residents are vulnerable adults with a range of needs. Many are referred to us by their local authority, or other statutory commissioner, although we do also accept self-referrals from people in need. Looking to the future we intend to particularly focus our service on those with learning disabilities, physical disabilities, and mental health problems. The Board and ELT aim to review its social value and impact in the coming year.

The Personal Social Services Research Unit (PSSRU) projected demand for supported housing in Britain 2015-2030 identified that, learning disability projections stated that the amount of supported living needed for those with learning disabilities is required to increase by 55% in England and by approximately 53% in Great Britain from 2015-2030. In England, this would be an increase of 25,300 units by 2030.

OUR VALUES

Open and Trustworthy

We act with integrity and do what we say we will.

We are transparent about how we work and provide residents and stakeholders with information about our business.

We are reliable and meet our commitments, acting as a trusted partner to those who work with us.

People-Centered

We put our customers' needs at the forefront of what we do.

We work to provide maximum independence for our residents.

The Housing Association understands the importance of meeting the needs not just of individuals but of the whole community and helping to keep people within their community.

Respectful

We respect the diverse needs of our staff and customers and treat everyone with respect.

We recognise that people have unique needs and adapt our approach to ensure people from all backgrounds and experience can flourish.

Passionate

We are committed to the important work we do and are passionate in delivering for our customers and communities.

We give 100% to delivering excellent services to those we work with and for.

We will go beyond delivering positive outcomes for our residents, looking at innovative solutions.

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Board Report (including Strategic Report) (continued)

FINANCIAL VIABILITY

Ensuring our organisation is financially viable and building our financial strength is a key driver for Parasol Homes. A robust financial position is important to ensuring we can deliver services to our customers. The Board and ELT has identified that the organisation can demonstrate the financial viability of Parasol Homes in the long term with use of the new financial modelling that has been completed. This will require a restructuring of our leases and working closely with our landlords. It will also require the continued support of our parent and working closely with RSH. Assumptions underlying the preparation of the financial statements on the going concern basis are disclosed on page 38.

Leading the way in Supported Housing:

Parasol Homes is already known as a national registered provider of social housing; however, the organisation is developing its branding, visibility, and recognition within the areas where Parasol Homes operates. To do this, we will:

- Develop our existing brand.
- Grow and strengthen our reputation nationally.
- Welcome and promptly respond to complaints, concerns, and compliments; and
- Working collaboratively with our partners to meet Local Authority demands.

Customer Engagement:

We are focused on ensuring the properties we provide are a 'home' for our customers. For us this means tenants' choice and voice should shape the services they receive, and that we will provide high-quality homes and services.

Parasol Homes has not previously demonstrated adequate customer engagement and is now focused on listening to the customer and involving tenants in decision making of service delivery.

We aim to:

- Undertake Tenant Satisfaction Measure ("TSM") surveys and publish results thereafter.
- Regularly publish a customer newsletter to keep our tenants updated.
- Innovate and improve our monthly house meetings through Tenant Voice Groups as an opportunity for tenants to discuss their homes and services provided.
- Provide opportunities for our residents to shape the services they receive.
- Ensure homes and adaptations we provide are of a high quality and sustainable.
- Involve tenants in decision making which affects their service delivery

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Board Report (including Strategic Report) (continued)

Staff:

The people who work for us are at the heart of what we do and are essential to the success of our organisation. We aim to recruit an excellent staff team and want to ensure we retain their talent and enable them to excel. The new Board and ELT have identified several management gaps and are working closely with the Group's People and Culture Team to implement the required changes. Which includes:

- Revised policies and procedures to improve the ways we work.
- Better organisation-wide communication to promote inclusion.
- Reward and recognition for positive changes that our team make to improve our organisation.
- Promoting a value driven culture where our team contributes effectively.
- Continue to apply the appraisal framework to drive better performance.
- Provide training and development opportunities to staff, particularly focused on growing their leadership qualities; and
- Continue to develop our existing Equality and Diversity Policy.

Finances

A robust financial position is essential to delivering our objectives and our new ELT and the Board are developing new plans, budgets, and forecasts.

We know strong governance and internal controls will help our organisation to achieve our aspirations. Although we have adopted the NHF Codes of Governance and Conduct, designed to ensure our governance is in line with best practice for the sector. We have recently identified gaps in our compliance which we are actioning.

We have recently recruited an excellent Board, carefully curated, to ensure we have the right skills and expertise to support the organisation. Our new Board has a non-executive majority, with Directors displaying a diverse skill set. This allows the Board to carry out its responsibility for effectively overseeing Parasol Homes' activities.

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Board Report (including Strategic Report) (continued)

Risk Management and Mitigation

Risk is inherent and unavoidable in some of our activities. We aim to manage risks effectively and to an acceptable level with appropriate mitigation.

Our approach to risk management and mitigation is designed to be in line with the Risk Management Framework. This framework is aligned to the National Housing Federation Codes of Governance and Conduct and the Regulator of Social Housing Sector Risk Profile and is characterised as follows:

- The Board would normally set the foundation for risk management by determining Parasol Homes' appetite for risk and plans to undertake this evaluation in the upcoming financial year. The determination of risk appetite is reviewed on an annual basis to align with emerging sector risks.
- The Board develops and refines strategic operational risk maps linked to strategic objectives with a live set of mitigation plans. This is conducted by the Audit and Risk Committee.
- The risk register was developed with input from relevant organisational departments and regular input from the key departments is provided.
- Undertaking comprehensive stress testing and a live set of mitigation plans to drive efficiency.
- Robust due diligence processes and assessment of potential risks are carried out and a high level report presented to the Board for any new contracts, agreements, developments, and other significant new opportunities before deciding how to proceed in relation to key decisions and within our Risk Management Framework, Financial Regulations and Procurement Policy.
- Review of service performance and feedback from customers and key stakeholders.
- Internal and external audit functions and reporting including annual review of effectiveness conducted by the Audit & Risk Committee.

The new Board is in the process of reviewing current risk management processes and overall management tools.

NHF Code of Governance and Regulator of Social Housing Governance and Financial Viability Standard

Parasol Homes monitors its on-going compliance with both the economic and consumer Regulatory Standards and reports to the Board on an annual basis with any changes or implications arising within the year being reported on an ad hoc basis. These are completed using a self-assessment approach on each Regulatory Standard and how we are performing against them.

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Board Report (including Strategic Report) (continued)

VALUE FOR MONEY

In April 2018, the Regulator of Social Housing introduced a new Value for Money Standard and accompanying Code of Practice. The Standard introduced a requirement for providers to publish performance against their own Value for Money targets, and a series of common metrics with which to measure economy, efficiency and effectiveness set by the Regulator.

The Regulator defined these metrics in the publication Value for Money metrics – technical Note feedback and responses. These seven metrics remain the most appropriate set of measures to capture performance across the sector in a fair and comparable way.

As Parasol Homes does not own its own properties, Metrics 1 – 4, being reinvestment percentage, new supply delivered percentage, gearing percentage and the earnings before interest, tax, depreciation, amortisation, major repairs, and interest cover percentage would not be applicable to the organisation.

The remaining Metrics 5 – 7 are detailed below:

Metric 5 – Headline social housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator, being the costs divided by the total number of housing units managed:

	2023	**2022**
	£'s	**£'s**
Management costs	7,513,273	8,668,496
Total social housing units leased end of year	384	461
Headline social housing cost per unit	19,566	18,804
Headline social housing cost per unit (average in year)	*17,783*	

As per the RSH Value for Money Metrics and Reporting 2023 (published February 2024), the median 'headline social housing cost per unit was £4,586. The Housing Association currently has a headline social housing cost per unit of £19,566 (2022: £18,804).

The average in the year has been included as we dropped from 1731 to 997 total units in the year, so averaging the cost vs the reducing monthly social housing units gives a clearer view and shows that overall we have been making some improvements despite costs growing with labour, materials, and fuel.

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Board Report (including Strategic Report) (continued)

VALUE FOR MONEY (continued)

The primary reason we exceed the £4,586 is that the Housing Association operates within a lease-based model within the specialist supported housing sector and not within the traditional purchase and leverage model. A further metric below has been added to remove the lease rent costs:

Metric 5a (Parasol Homes Internal metric) – Headline social housing cost per unit: less lease costs

	2023	2022
Management costs (less lease costs)	2,121,068	1,695,869
Total social housing units leased	384	461
Headline social housing cost per unit	5,524	3,679
Headline social housing cost per unit (average in year)	*5,020*	

The revised metric reflects a cost closer to the RSH Value for Money Metrics and Reporting 2023 (published February 2024) upper quartile of £5,847 per unit.

Parasol continued to experience a significant increase in the level of bad debts necessitating additional write-offs and increase in provision in the year. The Association has been investing in experienced staff and revitalising the Board, which will enable us to continue implementing improvements to systems and processes to maximise rent collection, accountability and optimise income and expenditure. This is expected to enable Parasol to generate adequate surplus's and improve performance and financial viability. We will work collaboratively to improve relationships with stakeholders including Care Providers and Local authorities to reduce Parasol rent arrears.

Costs are higher than expected due to dilapidation works, Voids and Bad Debts on properties being handed back, additional planned and reactive maintenance, utility costs and inflationary impacts. We have included a comparison based on average units in the year, as hand backs occurred throughout the year. We anticipate these reducing materially in the current year.

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Board Report (including Strategic Report) (continued)

Metric 6 – Operating margin %
The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business:

	2023	2022
	£'s	£'s
Operating (deficit)/surplus from social lettings	(586,988)	1,957,587
Turnover from social housing lettings	8,244,192	10,626,083
Operating margin % - social housing only	(7.12)%	18.42%

	2023	2022
	£'s	£'s
Operating (deficit)	(3,043,678)	(2,317,741)
Overall turnover	16,995,121	25,052,771
Operating margin % - Overall	(17.91)%	(9.25)%

The Housing Association has a Social operating margin of (7.12)% (2022: 18.42%) and an Overall operating margin of (17.91)% (2022: (9.25)%).

This has been impacted by the additional bad debt provisions and the costs associated with handing back 734 net units in the year.

This is related to the funding strategy of the Housing Association operating a leased based model, which results in the Housing Association having a higher cost base in comparison, due to the assets being bespoke for SSH, rather than a more traditional Housing Association funding model with general need tenants. The Housing Association has also been impacted by rising costs associated with utilities and maintenance plus a significant write-off of bad debts in the year, same as in 2022.

Additionally, the Housing Association's provision of Specialised Supported Housing (SSH) and in particular its tenant base of vulnerable adults with a range of complex needs, results in an increased onboarding cost, and reactive repairs.

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Board Report (including Strategic Report) (continued)

Metric 7 – Return on capital employed %

This metric compares the operating (deficit) / surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources:

	2023 £'s	2022 £'s
Operating surplus adjusted for gain/(loss) on disposal of assets and share of operating surplus/(loss) in joint ventures and associates	(3,043,678)	(2,317,741)
Net total assets less current liabilities	(3,315,548)	1,098,026
Return on capital employed %	(91.80)%	(211.08)%

As per the RSH Value for Money Metrics and Reporting 2023, the median 'Return on Capital Employed' is 2.8%. The Housing Association currently has a return on capital employed of (91.80)% 2022: (211.08%).

The Housing Association's return on capital employed is currently significantly lower than that of the wider sector, due to a rising cost base, rent arrears and the significant write-off of bad debts in the year.

We are actively in discussions with Landlords, Regulators and other stakeholders to agree on a Financially Viable outcome to enable Parasol Homes to generate positive annual returns and rebuild its reserves.

INTERNAL CONTROLS

The lines of control include ELT and the Board reviews, combined with the external audit.

It is crucial that external consultants are brought in on an annual basis to conduct spot checks on Parasol Homes policies and procedures. The last such occasion was during June 2022, when Parasol Homes appointed external social housing consultants to conduct an audit into Parasol Homes' compliance with RSH standards. This led to the development of an improvement action plan. Parasol Homes is still engaged in the process of implementing the required changes to provide the necessary assurance to the Board and RSH on its compliance with the Regulatory Standards and Parasol is using several consultants to gain a broader understanding and support the future road map.

EXECUTIVE LEADERSHIP

At the point of submission, Anthony Jenkins is Managing Director and has been appointed to oversee the entire organisation. Anthony Jenkins is accountable to the Board, ensuring a cohesive alignment of our strategic objectives and operational excellence. Deirdre LaBassiere has recently been appointed as Company Secretary and Head of Governance. Her appointment signifies a significant step forward in fortifying the organisation's governance function with a focus on certainty and stability. Our Interim Head of Housing, leads initiatives that shape the future of our housing endeavours. Our Group Head of People and Culture is responsible for fostering a positive organisational culture and developing Parasol's talented workforce. Our Group Finance Director, oversees the financial aspects crucial to our operational sustainability.

Together, this dynamic team is poised to guide Parasol Homes through a future marked by improvement under their collective guidance and leadership.

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Board Report (including Strategic Report) (continued)

GOVERNANCE AND OUR BOARD

Being in a financially strong and well governed organisation is particularly important to us. Our governance centres around people. Firstly, that our services are the best they can be for all our customers. Secondly, it's our passionate and dedicated team of staff and partners that provide the best possible housing, care and support services. To accomplish our vision and mission statement our Board and ELT work together providing a clear and concise process which ensures accountability within our decision-making structure. We continue to adopt the 2020 NHF code of governance, to ensure our governance is in line with best practice for the sector. This is monitored continually to ensure that it remains fit for purpose and continues to facilitate our ongoing development and improvement. Parasol Homes has identified that it is not currently compliant with the adopted code of governance and is working to mitigate any gaps in compliance on a regular basis.

Our effective governance arrangements deliver our aims, objectives and intended outcomes for new and existing customers in an effective, transparent, and accountable manner. A significant part of the Board's work is the ongoing appraisal of these arrangements.

The Board acknowledges its overall responsibility for establishing and maintaining a system of internal control and for reviewing its effectiveness, diligently scrutinising and challenging the ELT.

The Board and ELT are currently working closely with the RSH to improve Parasol Homes' compliance with the Regulatory Standards and will continue to continuously improve.

LOOKING AHEAD

Parasol Homes are now looking to have a period of stability and continue to provide high quality housing and a good service for our customers. We look to offer our customers a greater voice that enables them to feel empowered and in control of their lives.

We will continue to build on our relationships with our key stakeholders and the RSH to provide transparency and accountability through communication and professionalism, and we remain committed to returning to a fully compliant status.

Looking ahead we plan to develop our service and innovate in ways that reduce cost and increase productivity, which will be measured through Key Performance Indicators, accurate transparent reporting, and proactive communication.

Our key priorities for 2024 are to:

- Adapt and promote the new Regulatory Standards
- Improve Parasol Homes' Financial Viability and Governance
- Strengthen Parasol Homes' relationship with key stakeholders and work towards managing risk in a proportionate way that is scrutinised by our Board.
- Set appropriate rents and service charges to meet ongoing costs in line with the Rent Standard
- Continuously improve the customer experience that provides an affordable service.
- Work towards energy efficient homes and reducing our impact on the environment.
- Invest in our team and enhance their skills through training and development.

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Board Report (including Strategic Report) (continued)

BOARD FINANCIAL OVERSIGHT

The Company's business activities, its current financial position, and factors likely to affect its future development are as set out within the Strategic Report.

The Accounts for the year show a loss after exceptional items of £3,243,208 which invariably raises questions around the viability of an organisation of the size of Parasol. As such the Board has considered the following factors when assessing the future of the organisation:

- The loss is materially driven by (i) handing back and removing just over 700 units, (ii) a prudent approach to the level of debtor recovery that may be achieved against older debts, and the associated provision required (iii) managing long term lease cost commitments in the given current economic conditions (iv) rising costs associated to property and tenancy management. We are seeking to address all remaining concerns in the current financial year and implementing a recovery plan over the short to medium term.
- At the time of this report, the ELT has commenced a full review of rent collection processes/records and an action plan agreed to pro-actively pursue discussions with the small number of local authorities associated with the debtor provisions. This provides the Board with the understanding that elements of the amounts due should be recoverable, with estimates as to the percentage/timing – hence the level of provision required.
- Significant focus has been placed on understanding current cashflow generation and regular cashflows are provided to the Board. This has demonstrated that despite current operational challenges the business is cash positive based on the current level of receipts and payments being made to key creditors.
- This cashflow information has been used, alongside forecasted revenue/costs reviewed by the ELT, to assess the ongoing cashflow generation. This does not include any improvements to working practices or material recovery of amounts currently included in the debtor provision numbers and shows a continued positive cashflow position.
- Discussions are ongoing with key creditors, to agree sustainable long-term positions in relation to ongoing commitments under leases / loan terms, and post year end we have agreed short term agreements that have enabled reduced cost liabilities, supporting Parasol Homes for the current fiscal year.
- Long term projection models with respective sensitivity analysis, which are being reviewed on a regular basis to support ELT and Board decision making.

On this basis, the Board has assurance that the Company has adequate resources to continue in operational existence for the near future, being a period of at least twelve months after the date on which the report and Financial Statements are signed.

The Board acknowledges its overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness, alongside complying with the Regulator of Social Housing's (RSH) Economic Standards. Internal controls are a key part of the Risk Management Framework.

The system of internal control is to manage and mitigate the risk of failure to achieve business objectives and to provide assurance against material misstatement of loss.

The Board and ELT have created an initial 30-year financial model with appropriate stress testing and will continue to evolve these models to ensure that Parasol can demonstrate its financial viability long term and manage risks that we do or may face.

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Board Report (including Strategic Report) (continued)

Other Matters

Disclosure of information to the auditors

We, the directors of the Company who held office at the date of approval of these Financial Statements as set out above each confirm, as far as we are aware, that:

- there is no relevant audit information of which the Housing Association's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

In approving the Board Report, we also approve the Strategic Report included therein, in our capacity as Housing Association directors.

On behalf of the Board

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Tina Barnard
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Deirdre LaBassiere
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Shendi Kesnet
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Tina Barnard
Chair of the Board

Deirdre LaBassiere
Company Secretary

Shendi Kesnet
Chair of ARC

23 February 2024

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Board's Responsibilities Statement (RSHP registered in England and registered under the Co-operative and Community Benefit Societies Act 2014)

The Board is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare the Financial Statements for each fiscal year which give a true and fair view of the situation of the Housing Association and of the income and expenditure of the Housing Association for that period. In preparing these Financial Statements, the Board is required to:

i. select suitable accounting policies and then apply them consistently;
ii. make judgements and estimates that are reasonable and prudent;
iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
iv. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Housing Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Housing Association and to enable it to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Housing Association's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other districts.

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Independent Auditor's Report to the Members of Parasol Homes Limited

Opinion

We have audited the financial statements Parasol Homes Limited (the 'association') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves, statement of cashflows and notes to the financial statements, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 30 June 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the association has net liabilities of £3,315,548 and had incurred a loss for the year of £3,243,209. The loss reflects the directors' views on the recoverability of housing benefit claims due to the company. This coupled with low occupancy rates has meant that the company has been unable to maintain payments to its landlords giving rise to arrears of rent at 30 June 2023 which has increased with two of its landlords since the year end.

On 15 January 2024 the association entered into a short-term agreement with its landlords providing comfort that they would not serve a statutory demand on all current debt outstanding until after 30 April 2025. Furthermore, it has been agreed to maintain current levels of rent payments up to 30 June 2024.

It is the intention of the company's directors to negotiate long-term agreements with its landlords to cover arrears of rent as well as future rents that are satisfactory to and financially viable for each party. The directors have prepared forecasts based on proposals in the short-term agreement which the directors believe will be agreed. However, should long-term agreements not be reached, then there would be significant doubt on the association's ability to continue as a going concern.

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Independent Auditor's Report to the Members of Parasol Homes Limited (continued)

Material uncertainty relating to going concern (continued)

These events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Act 2014 requires us to report to you if, in our opinion:

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 29, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Parasol Homes Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation and employment legislation, environmental and health and safety legislation, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and correspondence with the association's regulator; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in [note 3] were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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Independent Auditor's Report to the Members of Parasol Homes Limited (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence ongoing correspondence with The Regulator of Social Housing, the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Mark Hart (senior statutory auditor)
For and on behalf of Blick Rothenberg Audit LLP
Chartered Accountants and Statutory Auditor
16 Great Queen Street
Covent Garden
London
WC2B 5AH

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Statement of Comprehensive Income

	Notes	June 2023	June 2022
		£'s	£'s
Turnover	4	16,995,121	25,052,771
Operating costs	4	(20,038,799)	(27,370,439)
Operating surplus	8	**(3,043,678)**	**(2,317,668)**
Exceptional items	24	(11,408)	185,454
Interest payable	9	(6,000)	(1,017)
Depreciation	11	(223,520)	(242,812)
Amortisation of reserves		41,398	235,339
(Deficit) on ordinary activities before taxation		**(3,243,208)**	**(2,140,704)**
Tax on surplus on ordinary activities		-	-
(Deficit) on ordinary activities after taxation		**(3,243,208)**	**(2,140,704)**
Other Comprehensive Income		**(94,723)**	**425,735**
Total Comprehensive Income for the year		**(3,337,931)**	**(1,714,969)**

All of the Housing Association's turnover and deficit disclosed above are derived from continuing activities.

The financial statements were approved by the Board of Management on 22 February 2024 and are signed on its behalf by:

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Tina Barnard
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Deirdre LaBassiere
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Shendi Kesnet
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Tina Barnard
Chair of the Board

Deirdre LaBassiere
Company Secretary

Shendi Kesnet
Chair of ARC

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Balance Sheet

	Notes	June 2023	June 2022
		£'s	£'s
Fixed Assets			
Tangible fixed assets	11	773,404	996,924
Current Assets			
Debtors	12	2,889,727	6,437,321
Cash at bank		327,670	606,594
Current Assets		**3,217,397**	**7,043,915**
Creditors: amounts falling due within one year	13	**7,306,349**	**6,942,813**
Net current assets		(4,088,952)	101,102
Total assets less current liabilities		**(3,315,548)**	**1,098,026**
Creditors: amounts falling due after more than one year	15	-	925,000
Total Net (Liabilities) / Assets		**(3,315,548)**	**173,026**
Capital and reserves			
Revenue reserve		(5,023,302)	(1,780,094)
Rent Support reserve	24	-	-
Sinking Fund reserve	24	1,200,149	1,253,474
SDLT reserve	24	507,605	699,646
Void reserve	24	-	-
Total Reserves		**(3,315,548)**	**173,026**

The financial statements were approved and authorised for issue by the Board of Management on 22 February 2024 and are signed on its behalf by:

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Tina Barnard
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Deirdre LaBassiere
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Shendi Kesnet
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Tina Barnard
Chair of the Board

Deirdre LaBassiere
Company Secretary

Shendi Kesnet
Chair of ARC

Registered Social Housing Provider Number: 4728
Community Benefits Registered Number: 8393

The notes on pages 38 to 52 form part of these financial statements.

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Statement of Changes in Reserves

	Note	Rent Support Reserve	Sinking Fund Reserve	SDLT Reserve	Revenue Reserve	Void Reserve	Total
		£'s	£'s	£'s	£'s	£'s	£'s
At 30 June 2021		623,134	1,140,253	741,044	360,610	530,553	3,395,594
Total comprehensive income for the year		-	-	-	(2,140,704)	-	(2,140,704)
Designation of reserves	24	118,573	307,162	-	-	-	425,735
Allocation of funds	24	(741,707)	(193,941)	(41,398)	-	(530,553)	(1,507,599)
At 30 June 2022		-	**1,253,474**	**699,646**	**(1,780,094)**	-	**173,026**
Total comprehensive income for the year		-	-	-	(3,243,208)	-	(3,243,208)
Designation of reserves	24	-	(53,325)	(41,398)	-	-	(94,723)
Allocation of funds	24	-	-	(150,643)	-	-	(150,643)
Balance as at 30 June 2023		-	**1,200,149**	**507,605**	**(5,023,302)**	-	**(3,315,548)**

The notes on pages 38 to 52 form part of these financial statements

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Statement of Cash Flows

	Note	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Net cash generated from operating activities	15	(243,558)	200,907
Decrease in restricted reserves		(245,366)	(1,081,864)
Net cash movement from operating activities		**(488,924)**	**(880,957)**
Cashflow from investing activities			
Purchase of fixed assets		-	(800)
Disposals of fixed assets		-	7,676
Cashflow from financing activities			
Group Loan		210,000	925,000
Net change in cash		**(278,924)**	**50,919**
Cash at the beginning of the year		**606,594**	**555,675**
Cash at the end of the year		**327,670**	**606,594**

The notes on pages 38 to 52 form part of these financial statements

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Notes to the Financial Statements

1. General information

Parasol Homes Limited (Parasol) is incorporated in England and is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the information on page 3 of these financial statements. The nature of the Parasol's operations and principal activities provide social housing. Parasol Homes Limited constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£), which is the functional currency of Parasol Homes Limited, and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Cooperative and Community Benefit Societies Act 2014.

The following principal accounting policies have been applied:

2.2 Going Concern

The Accounts for the year show a loss after exceptional items of £3,243,209 and net liabilities of £3,315,548 The financial statements include a provision for doubtful recovery of trade debtors of £3,657,890 (2023:£1,857,835) which reflects the directors views that there is not sufficient comfort on the validity of housing benefit claims, and the associated recoverability of monies due.

This issue coupled with historic low occupancy rates has meant that the company has been unable to maintain payments to its landlords giving rise to arrears of rent at 30 June 2023 of £2.3 million, which has increased with two of its landlords since the year end up to and including 31 December 2023.

On 15 January 2024 the company entered into a short-term agreement with its landlords, providing comfort that they would not serve a statutory demand on all current debt outstanding until after 30th April 2025. Furthermore, it has been agreed to maintain current levels of rent payments up to 30 June 2024. The directors intend to enter into sustainable long term agreements to cover arrears of rent as well as future rents that is satisfactory to and financially viable for each party. The directors have assessed cashflows and forecast revenue/costs based on certain assumptions yet to be agreed with their stakeholders.

Should long-term agreements not be reached with its landlords, whether one or in the unlikely event all landlords, then the directors would initiate other plans to mitigate the risk so that Housing Association can continue to operate, however there would be a significant doubt on the company's ability to continue as a going concern. No adjustments have been made to reflect the failure to reach an agreement.

The directors are confident that agreements will be reached and as a result, the Board have a reasonable expectation that the Housing Association has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern

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basis in preparing the financial statements.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

The members have also considered whether the Housing Association has been affected by the economic impact of the current cost of living crisis. Although the labour market and energy sector have increased their costs dramatically over the past 12 months Parasol have reacted quickly and have procured contracts at reasonable costs to protect them from further inflation. The contract administration is constantly managed to ensure that the suppliers are performing and are not put at undue stress which could result in further financial and operational risks for Parasol.

2.3 Turnover and Revenue Recognition

Turnover comprises rental income receivable in the year and support charges. The policies adopted for the recognition of turnover are as follows: Rental income is recognised from the point when properties become available for letting. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed. Charges for support services funded by Supporting People are recognised as they fall due under the contractual arrangements with the Administering Authorities.

2.4 Taxation

Current tax

The Housing Association converted to a Community Benefit Society on 20 May 2020 and became exempt from corporation tax from that date.

Value Added Tax

The Housing Association is not registered for Value Added Tax (VAT) as the rental income is exempt for VAT purposes and other vatable income is not at the threshold which requires the Housing Association to be registered for VAT.

2.5 Interest Payable

Interest payable is charged to income and expenditure in the year using the effective interest method.

2.6 Debtors and creditors receivable / payable within one year

Short-term debtors are measured at transaction price, less any impairment. Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

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Notes to the Financial Statements (continued)

2. Accounting policies (continued)

2.7 Employee Benefits

When employees have rendered service to the Housing Association, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Housing Association operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The assets of the scheme are held separately of the Housing Association in an independently administered fund.

2.8 Leases

Non housing leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Housing Association. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible assets and depreciated and assessed for impairment losses in the same way as owned assets.

Housing leases

Housing leases are recognised as operating leases. Rentals are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Housing Association recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Housing properties are properties leased for the provision of supported and specialised supported housing. The leases range from short term leases to long term lease with a maximum duration of 25 years. The lease costs are included in the income and expenditure for the period that the costs apply to.

Major works to existing properties are capitalised and amortised over the estimated useful lifetime of that component as an improvement.

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Notes to the Financial Statements (continued)

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates of depreciation used are:

Leasehold property (stamp duty land tax)	Between 5 and 20 years
Residential furniture and white goods	4 years
Office furniture and computer equipment	5 years
Motor vehicles	5 years

Gains or losses arising on the disposal of tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2.10 Provision for Liabilities

Provisions are recognised when the Housing Association has a present obligation (legal or constructive) because of a past event, it is probable that the Housing Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

The Housing Association recognises a provision for annual leave accrued by employees because of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

2.11 Financial Instruments

All financial instruments meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 and are accounted for under the amortised cost model.

The Housing Association does have the appropriate rules to enable it to enter third party hedging agreements. However, none are in place currently.

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Notes to the Financial Statements (continued)

2. Accounting policies (continued)

2.12 Designated funds

The reserves stated in the accounts are not cash backed. Sinking funds represent expensed from rental income to fund designated activities and are allocated to the appropriate reserves within the statement of Changes in Reserves.

2.13 Government grants

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

3. Significant Judgements and Estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Capitalisation of furniture and white goods

Distinguishing the value at which furniture and white goods should be capitalised. The total amount capitalised in the year was £Nil relating to furniture purchased for existing and new properties.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the level of wear and tear due to different client groups.

Bad debt provision

The carrying value of debtors is dependent on key judgements and estimates that are made by management. The judgements relating to bad debt provisioning include an estimation of future expected recovery of outstanding debtors. These judgements also include consideration of specific factors and the developments in the market that have been identified throughout the year and after the year end. Actual outcomes could be different to the assumptions used in determining the estimates.

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Notes to the Financial Statements (continued)

4. Turnover, cost of sales, operating costs and operating surplus

	June 2023	June 2022
	£'s	£'s
Turnover		
Rent	16,392,044	24,395,645
Supporting People	-	796
3rd Party Management Fee Income	604,078	598,945
Onboard Management Charges	(1,001)	57,385
Other	-	-
TOTAL TURNOVER	**16,995,121**	**25,052,771**
Operating Expenditure		
Housing Rental Costs	13,086,790	16,867,832
Salary Costs	1,208,419	1,005,223
Other Management Costs	1,014,060	2,098,475
Service Costs	1,138,887	2,073,590
Other Operating Costs	409,260	388,562
Repair Costs	1,096,917	1,967,034
Bad Debts	2,084,466	2,969,723
TOTAL OPERATING COSTS	**20,038,799**	**27,370,439**
OPERATING DEFICIT	**(3,043,678)**	**(2,317,668)**
Depreciation	223,520	242,812
Amortisation	(41,398)	(235,339)
Net interest payable	6,000	1,017
Corporation Tax	-	-
Exceptional Items	11,408	(185,454)
NET DEFICIT	**(3,243,208)**	**(2,140,704)**

Parasol's void loss in 2023 is £1,304,808 (2022 £1,763,202).

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Notes to the Financial Statements (continued)

5. Accommodation in management

All accommodation is leased. At the end of the year the accommodation under management was as follows:

	2023 Number	2022 Number
Short-term lease	613	1347
Long-term lease	384	384
	997	**1731**

Short-term leases have less than 5 years remaining

6. Key management personnel

The members of the Board received remuneration for services provided as Directors of £32,421 (2022: £24,075). The Board moved to payroll mid-year and the average number of Board members was 4 included in note 7.

The remuneration paid to the Executive Directors of the Housing Association was:

	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Emoluments	95,925	73,333
Benefits in kind	-	-
Pension contributions	2,312	2,200
	98,236	**75,533**
Emoluments (excluding pension contributions) paid to:		
The highest paid Director including all benefits such as company car and private health subscriptions	44,652	73,333
Pension contributions	1,329	2,200
	45,981	**75,533**

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Notes to the Financial Statements (continued)

7. Employee information

The average weekly number of full-time equivalent persons (including directors) and calculated based on a standard working week of 35 hours were:

	Year Ending 30 June 2023	Year Ending 30 June 2022
	Number	Number
Office Staff	26.0	18.4
Support staff, caretakers, and concierge	5.8	8.3
	31.8	**26.7**

	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Staff costs (for the above persons):		
Salaries	1,056,391	860,554
Social security costs	109,721	89,477
Pension costs - contributions	27,628	21,534
	1,193,740	**971,565**

The full-time equivalent number of staff, including directors, who received emoluments:

	Year Ending 30 June 2023 Number	Year Ending 30 June 2022 Number
£50,001 to £60,000	3	0
£60,001 to £70,000	1	0
£70,001 to £80,000	0	1
£80,001 to £90,000	2	0

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Notes to the Financial Statements (continued)

8. Operating Deficit

	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Operating deficit is stated after charging/(crediting):		
Depreciation - other fixed assets	182,122	201,414
Amortisation of SDLT	41,399	41,398
Operating lease rentals - office equipment	-	1,003
Operating Lease rental - housing properties	5,829,304	8,959,954
For audit purposes	20,004	20,800

9. Interest and financing costs

	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Interest payable on finance leases	6,000	-
Other interest payable	-	1,017
	6,000	1,017

10. Tax on deficit on ordinary activities

The Housing Association converted to a Community Benefit Society on 20 May 2020 and became exempt from corporation tax from the date.

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Notes to the Financial Statements (continued)

11. Tangible fixed assets

The carrying value of fixed assets as included in the financial statements at historical cost less depreciation is as follows:

	Leasehold asset	Residential furniture and white goods	Office furniture	Motor Vehicles	Total
	£'s	£'s	£'s	£'s	£'s
Cost at 1 July 2022	**848,141**	**735,437**	**110,733**	**39,412**	**1,733,723**
Additions					
Disposals					
Cost at 30 June 2023	**848,141**	**735,437**	**110,733**	**39,412**	**1,733,723**
Depreciation at 1 July 2022	**(151,022)**	**(451,871)**	**(94,494)**	**(39,412)**	**(736,799)**
Charge for year	(41,398)	(171,704)	(10,418)		**(223,520)**
Disposals					
Depreciation at 30 June 2023	**(192,420)**	**(623,575)**	**(104,912)**	**(39,412)**	**(960,319)**
Net book value as at 30 June 2023	**655,721**	**111,862**	**5,821**	**-**	**773,404**
Net book value as at 30 June 2022	**697,119**	**283,566**	**16,239**	**-**	**996,924**

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Notes to the Financial Statements (continued)

12. Debtors: due within one year

	June 2023	June 2022
	£'s	£'s
Rent and service charge receivable	5,238,590	6,045,061
Less provision for bad and doubtful debts	(3,657,890)	(1,857,835)
Net rental and service charge debtors	1,580,700	4,187,226
Prepayments and accrued income	334,857	1,074,333
Other Debtors	974,170	1,175,762
Total	**2,889,727**	**6,437,321**

The Association has set aside provision for doubtful debts in recognition of current and local authority tenant arrears.

13. Creditors

Creditors: due within one year

	June 2023	June 2022
	£'s	£'s
Trade Creditors	3,963,739	2,016,552
Rent received in advance	564,640	887,750
Other tax and social security	33,810	41,574
Holiday pay accrual	24,404	24,404
Accruals	1,177,838	1,854,866
Intercompany Creditor	387,148	2,088,979
Other Creditors	19,770	28,688
Group Loan	1,135,000	-
	7,306,349	**6,942,813**

Creditors: amounts falling due after more than one year

	June 2023	June 2022
	£'s	£'s
Group Loan	-	925,000

For details of the Group Loan please see Note 23.

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Notes to the Financial Statements (continued)

14. Leasing Commitments

	June 2023 Housing Properties £'s	June 2023 Head Office £'s	June 2023 Total £'s	June 2022 Housing Properties £'s	June 2022 Head Office £'s	June 2022 Total £'s
Within one year	6,314,039	66,269	**6,380,308**	7,957,130	66,269	**8,023,399**
Between 1 and 5 years	26,146,388	35,132	**26,181,520**	22,900,483	35,132	**22,935,615**
Between 6 and 10 years	34,590,882	-	**34,590,882**	32,891,419	-	**32,891,419**
Between 11 and 15	32,899,389	-	**32,899,389**	33,200,531	-	**33,200,531**
Between 16 and 20 years	4,763,040	-	**4,763,040**	11,221,780	-	**11,221,780**
Between 21 and 25 years	-	-	**-**	-	-	**-**
Total	**104,713,737**	**101,401**	**104,815,138**	**108,171,343**	**101,401**	**108,272,744**

The lease amounts payable for housing properties are in respect of supported and specialised supported living properties. The total lease value payable under operating leases is recognised on a straight-line basis over the lease term.

Lease amounts have significantly reduced due to termination of certain leases within the portfolio.

Amount charged through operating leases as an expense to the Statement of Comprehensive Income was £5,829,304 (2022: £8,959,954).

The Housing Association does not have any commitments as a lessor.

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Notes to the Financial Statements (continued)

15. Cashflow from operating activities

	Year Ending 30 June 2023 £'s	Year Ending 30 June 2022 £'s
Deficit for the year	(3,243,208)	(2,140,704)
Adjustments for non cash items:		
Depreciation of tangible fixed assets	223,520	242,813
Decrease/(increase) in trade and other debtors	3,547,594	(1,100,753)
(Decrease)/increase in trade and other creditors	(771,464)	3,199,551
	2,999,650	**2,341,611**
Net cash (outflow)/inflow from operating activities	**(243,558)**	**200,907**

16. Net Debt Statement

The cash opening balance as of 1 July 2022 was £606,594, the net cash outflow in the period being £(278,924), this resulted in a closing balance of cash at the Statement of Financial Position date of £327,670.

The Housing Association has entered a group loan arrangement with the related company within the Group, of which the balance at year end was £1,135,000 (2022: £925,000) as cited in the balance sheet. There have been no other debt movements to note in the year, this is a result of there being no third-party loans, hire purchase agreements or other debt applicable that would impact the Housing Association's financial statements.

The debt has been disclosed as due within one year as at 30 June 2023, as per the terms of the agreement this is repayable on demand. Post year end, the terms of the loan have been re-negotiated and the loan will not be called upon until after 30 April 2025.

17. Legislative provisions

The Housing Association is a Community Benefit Society, not having share capital and consequently the liability of the members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the Housing Association on winding up such amounts as may be required not exceeding £1.

The Housing Association is registered with the Regulator of Social Housing as a provider of social housing, Registration No. 4728 and Community Benefits Registered Number: 8393. The registered address is 49 Clarendon Road, Watford, Hertfordshire WD17 1HP.

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Notes to the Financial Statements (continued)

18. Contingent Liability

There were no contingent liabilities on 30 June 2022, 30 June 2023 or at the date that these Accounts were signed.

The tribunal with Liverpool Council was successful, post year end Liverpool have paid approximately 50% of the original debts, and we included 25% provision as the rates recoverable were reduced.

19. Capital commitments

There were no capital agreements as of 30 June 2023 (2022 Nil).

20. Pension costs

The Housing Association operates a defined contribution retirement scheme for qualifying employees. The total expense charged to Statement of Comprehensive Income in the period ended 30 June 2023 was £23,462 (2021: £21,534)

22. Controlling Party

At the beginning of the year on the parent and controlling party was Allerton Housing Ltd a company incorporated and registered in England and Wales, at Victoria House, 49 Clarendon Road, Watford, England, WD17 1HP

On 14th April 2022, following a restructure of the parent entity, B1Q LLP (Name changed from Allerton Group LLP 2nd March 2023) became the parent and controlling party of Allerton Housing Limited.

23. Related parties

	Revenue 2023	Revenue 2022	Expense 2023	Expense 2022	Loan 2023	Loan 2022
	£	£	£	£	£	£
Trading transactions with Group Companies	(30,695)	152,483	564,200	370,768		
Loan from Group Company	-	-	-	-	1,135,000	925,000

A loan agreement was entered into with a Group Company on the 1 April 2022 and at the year end the loan position stands at £1,135,000 (2022 £925,000). The total loan facility available to Parasol Homes was £1.2m. Post year end, the terms of the loan have been re-negotiated and the loan will now not be called upon until after 30 April 2025. There is no expectation from the related party of any payments prior to this date.

Marigold Housing leases were terminated on 3 November 2022.

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Notes to the Financial Statements (continued)

24. Designated unrestricted fund movements

The members have designated the following funds of the Association:

An SDLT reserve as of 30 June 2023 at £507,605 (2022 £699,646). Representing monies received to assist with the costs of stamp duty land tax payable on the acquisition of certain property portfolios, this is reflected as an unrestricted designated reserve. Additions representing monies received to assist with the costs of SDLT and the releases are credits to the revenue account represents amortisation of the reserve over the average expected life of the leases, being 20 years. In the year an adjustment was made due to changes in properties handed back of £150,643.

A sinking fund reserve as at 30 June 2023 at £1,200,149 (2022 £1,253,474). In the year this provision has been reduced by a net £53,325. This has fallen overall as we have offset and released amounts held on properties that are no longer in management, where there was no requirement to transfer these funds and adjustment in terms of the levels of funds required at 30th June 2023 based on fiscal modelling.

The remaining reserves are not backed by cash.