

Financial Conduct Authority registration number 21084R
Registered Provider number L0916

AGAMEMNON HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

AGAMEMNON HOUSING ASSOCIATION LIMITED

INFORMATION

Directors	Mr S Downham Mr R Harrison (Chair) Mr G Musson Mr P Watkins Lieutenant K Jenkins-Hill RN Ms R O Owen Mrs C Dunkley Captain N Fletcher RN (Vice Chair) Mr S Blizzard Mr C Penney Mr M Perry	(Appointed 6 May 2021) (Appointed 27 September 2021) (Appointed 27 September 2021)
Chief Executive & Secretary	Mr C Dixon	
FCA registration number	21084R	
Registered Provider number	L0916	
Registered office	Agamemnon House Lindisfarne Close Cosham Portsmouth Hampshire PO6 2SB	
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	

AGAMEMNON HOUSING ASSOCIATION LIMITED

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AGAMEMNON HOUSING ASSOCIATION LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

It gives me great pleasure to introduce this Annual Report. It covers the Association's financial year ending December 31st 2021.

2021 was a year like no other. The Covid-19 pandemic touched every corner of society including our own, changing the way we live, work and affecting lives to an extent not experienced for generations.

The Board, colleagues and residents would like to place on record their appreciation and thanks for the enormous contribution and calm professionalism of the former Chief Executive Officer Commander Nigel Lanhorn who left to pursue other interests after a couple of years at the helm of the good ship Agamemnon.

This has been a year of further transition in our activities as we welcomed Carl Dixon as our new Chief Executive Officer in May.

I am truly proud of the way his leadership of Agamemnon, together with the talent, adaptability, and resilience of all our colleagues, helped us deliver another year of high-quality, affordable housing. Our residents too played their part magnificently, looking out for each other and remaining supportive despite unprecedented restrictions at times on their civil liberties.

Notwithstanding this difficult environment, I am pleased to report we made a surplus of £85,220 on a total revenue of £1,610,319 for the year ending December 31st 2021.

This will enable us to continue with our plans to maintain and improve our existing housing stock as well as to look for sensible opportunities to bring the 'Agamemnon housing experience' to even more veterans and their families.

I remain hugely optimistic for our future success. With our leadership succession secured, a refreshed strategic focus and investment in our peoples' innovation and talent, we have everything we need to meet the challenges and opportunities ahead and to deliver for our residents today, and in the future.

Thank you for your interest in the Association. I hope you find what follows informative and interesting.

R. Harrison

.....
Mr R Harrison (Chair)
Chairman

15/05/2022
.....

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the association continued to be that of the development, rental and management of social housing accommodation.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Downham	
Mr R Harrison (Chair)	
Mr G Musson	
Mr C Dixon	(Resigned 6 May 2021)
Mr P Watkins	
Lieutenant K Jenkins-Hill RN	
Ms R O Owen	
Mrs C Dunkley	
Captain N Fletcher RN (Vice Chair)	
Mr S Blizzard	(Appointed 6 May 2021)
Mr C Penney	(Appointed 27 September 2021)
Mr M Perry	(Appointed 27 September 2021)

All directors hold one share in the association.

Results for the year

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors' insurance

The association maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the association.

Auditor

A resolution proposing that Jones Avens Limited be reappointed as auditors of the association will be put to the Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditors are aware of that information.

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Coronavirus pandemic

The continuing effect of dealing with the coronavirus pandemic has been our focus. Even with restrictions lifted, it remained a key driver for our decision making and actions during the year. The aim was to make sure we kept tenants, colleagues, and visitors safe. The impact was a continued increase in our spending on managing the risk from Covid-19 such as additional colleague time for cleaning, managing colleague absence, purchasing of more cleaning materials and investing in PPE.

The Association continued its digital journey with adopting agile and flexible working routines which allowed the business support team to work from home. This has increase expenditure as the association has equipped colleagues with better technology to facilitate more efficient mobile and home working.

Governance and financial viability statement

The board continues to operate in a very effective manner and keeps itself abreast of emerging issues within the sector by its membership of the appropriate governing bodies (National Housing Federation, Homes England, Regulator of Social Housing, the Homes and Communities Agency).

Additionally, we are members of the NHF Southeast Leaders Forum, the Housing for Older People benchmarking group at Acuity which provides us with a peer review process within the social housing sector and COBSEO (Confederation of Service Charities) which ensures we keep updated on significant issues within the service charity sector.

Despite the Covid crisis the Associations finances have remained robust as our primary source of income is rents and service charges and most tenants are either on benefits or pensions which have been unaffected. Voids have increased in the last 12 months but still only account for approx. 2.7% of expected revenues.

A review of our Strategic Plan was undertaken. It now sets out six focus areas for the next three years and will help us to achieve what we have committed to deliver. We will pivot our resources our financial capacity, our homes, our services, and our people to deliver on these areas of focus.

As part of the Strategic Plan a new internal restructure was implemented, with the emphasis being on governance, risk assurance, accountability, reduction in duplication, efficiencies and a digital by design ethos. This is what we are calling "getting our basics brilliant".

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Association has identified the following categories of risk:

Strategic: Updating trustee knowledge and responsibilities is addressed by holding strategy workshops every two years to ensure the board is up to date with the latest in the sector and provides the long-term outlook within the political and economic climate. It was hoped that we could hold have held a strategy event in the latter half of 2021 but was moved to February 2022 due to colleague Covid infections.

Physical: A review and implantation plan was undertaken on our ability to deliver outstanding planned kitchen & bathroom upgrades, managing health & safety, fire detection & prevention and upgrades to social alarm devices.

Compliance: Sector compliance is assured through the governance & compliance reviews, reports and membership of the organisations outlined above. 2021 additionally brought in several legal requirements and good practice recommendations for the Association namely building & fire safety upgrades, analogue to digital social alarm refits and the social housing white paper. These supplementary activates added additional expenditure onto this financial year.

Human: As part of the Associations review and implementation of the Strategic Plan some colleagues did leave the business. All vacancies have been replaced, focusing on the right people in the right place and the right time.

Technology: The Association continues its digital journey with better technology to facilitate more efficient mobile and home working. A housing management system was commissioned to manage our processes, people, properties, and financial data with a go live date of June 2022.

A full review of the current analogue social alarm system was undertaken, and a modern digital system has been agreed. Where required this will incorporate an upgrade to fire detection.

Financial: Despite an increase in voids and therefore lost revenue in 2021 the Association remains financially very secure and continues to set side fund for decarbonisation and future development programmes. This is while also carrying out significant upgrades to the existing stock when appropriate.

Decarbonisation and future development:

A review of where the Association is placed with its stock condition and how we can reduce or mitigate our carbon footprint has been started and is ongoing.

The Association continues to review options on future developments with our retained land agent. This includes working with other housing builders, Home England and looking at our own land options.

Value for money statement

'Value for money' (VFM) is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it acquires, within the resources available to it. The Association embraces a VFM culture and demonstrating VFM is a core responsibility for the CEO at the quarterly Finance and Auditee Committee meetings.

We work hard to ensure that we achieve this through the careful use of resources, and we continually strive to deliver efficiencies and improve the quality of our accommodation and services for our tenants. We receive feedback from our tenants that supports this view with many expressing satisfaction at the value for money they are getting.

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

What we mean by the term "Value for Money"

Achieving the VFM is also often described in terms of the 'three E's' – economy, efficiency and effectiveness. The definition of the three E's is as follows:

Economy: Careful use of resources to save expenses, time or effort.

Efficiency: Delivering the same level of service for less cost, time or effort.

Effectiveness: Delivering a better service or getting a better return for the same amount of expense, time or effort.

We achieve this through:

A comprehensive and strategic approach led by our Boards of Trustees. Understanding and monitoring the performance of all our resources and assets. Regularly reviewing our performance and reporting on a quarterly basis. Involving our customers with the delivery of our VFM through meetings and surveys. Complying with our regulator the Homes and Communities Agency and benchmarking with our peers at a National and local level.

Examples of what have we achieved?

- It was agreed that following a feasibility review we would use internal colleagues (PSE's) to refit bathrooms and kitchen. The impact was a reduction in overall costs, reliance on sub-contractors, an increase in quality and ease of management.
- With the commissioning of a housing management system this will reduce duplication, increase efficiencies, and reduce our carbon footprint. The system will additionally bring all our process from governance to financial data into one system and will give better customer services to our tenants.
- As part of the Association digital journey for better technology to enhance our tenants experience and the analogue to digital BT infrastructure transformation. Tenants were involved in the selection of the next generation of social alarm upgrade.

Although the chosen system will not bring initial savings it is envisaged that as it is a fully digital system with several additional benefits for the Association and tenants ease of use. The VFM will be from its social value and measured in the reduction of social isolation, loneliness, improvements in health & wellbeing and will support tenants on their own digital journey.

Regulator for Social Housing Indicator	2021	2020
Reinvestment %	1.35%	0.77%
New supply delivered (social housing units) [as % of existing stock]	0.00%	0.00%
New supply delivered (Non-social housing units)	0.00%	0.00%
Gearing (RSH and Scorecard measure)	-18.09%	-16.10%
EBITDA MRI (as % interest)	N/A	N/A
Headline housing cost per unit	£5,588.53	£4,894.48
Operating margin (social housing lettings)	5.28%	10.06%
Operating margin (overall)	5.28%	10.06%
Return on Capital Employed (ROCE) %	0.55%	1.01%

On behalf of the board



Mr R Harrison (Chair)

Chairman

Date: 15/05/2022

AGAMEMNON HOUSING ASSOCIATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board is responsible for preparing the 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 financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 association and enable it to ensure that the financial statements comply with 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 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Agamemnon Housing Association Limited (the 'association') for the year ended 31 December 2021 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance 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 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's 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 the provisions available for audits of small entities, in the circumstances set out in note 21 to the financial statements, 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report or the Board Report.

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

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are 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 the directors determine 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 directors are 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 directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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.

Identification and assessment of irregularities including fraud

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

- 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 association, including 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 2022;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- reviewing the correspondence with relevant regulatory bodies.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

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.

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.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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

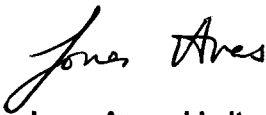
AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

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.



Jones Avens Limited

Chartered Accountants
Statutory Auditor

18/05/22
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Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

AGAMEMNON HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	4	1,610,319	1,552,329
Administrative expenses		(1,525,316)	(1,396,199)
Operating surplus	6	85,003	156,130
Interest receivable and similar income	9	217	2,365
Surplus before taxation		85,220	158,495
Taxation	10	-	-
Surplus for the financial year		85,220	158,495

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

AGAMEMNON HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11	13,201,123		13,379,077	
Investment properties	12	6,420		-	
		<u>13,207,543</u>		<u>13,379,077</u>	
Current assets					
Debtors	13	30,943		20,962	
Cash at bank and in hand		2,384,766		2,150,680	
		<u>2,415,709</u>		<u>2,171,642</u>	
Creditors: amounts falling due within one year	14	<u>(104,432)</u>		<u>(100,078)</u>	
Net current assets		<u>2,311,277</u>		<u>2,071,564</u>	
Total assets less current liabilities		<u>15,518,820</u>		<u>15,450,641</u>	
Creditors: amounts falling due after more than one year	15	<u>(705,457)</u>		<u>(722,498)</u>	
Net assets		<u>14,813,363</u>		<u>14,728,143</u>	
Capital and reserves					
Share capital	18		11		11
Income and expenditure account		14,813,352		14,728,132	
Total equity		<u>14,813,363</u>		<u>14,728,143</u>	

AGAMEMNON HOUSING ASSOCIATION LIMITED

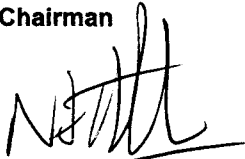
BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 18/05/22 and are signed on its behalf by:



Mr R Harrison (Chair)
Chairman



Captain N Fletcher RN (Vice Chair)
Vice-Chairman



Mr C Dixon
Chief Executive & Secretary

AGAMEMNON HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Income and capital expenditure account		Total
	£	£	£
Balance at 1 January 2020	11	14,569,637	14,569,648
Year ended 31 December 2020:			
Surplus for the year	-	158,495	158,495
Balance at 31 December 2020	11	14,728,132	14,728,143
Year ended 31 December 2021:			
Surplus for the year	-	85,220	85,220
Balance at 31 December 2021	11	14,813,352	14,813,363

AGAMEMNON HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		411,917		467,633
Investing activities					
Purchase of tangible fixed assets		(171,628)		(102,714)	
Purchase of investment property		(6,420)		-	
Interest received		217		2,365	
Net cash used in investing activities			(177,831)		(100,349)
Net increase in cash and cash equivalents			234,086		367,284
Cash and cash equivalents at beginning of year			2,150,680		1,783,396
Cash and cash equivalents at end of year			2,384,766		2,150,680

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Information

Agamemnon Housing Association Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is Agamemnon House, Lindisfame Close, Cosham, Portsmouth, Hampshire, PO6 2SB. The nature of the association's operations and principal activities are the rental and management of social housing sheltered flats.

The association constitutes a public benefit entity as defined by FRS 102.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 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 update (SORP), and with the Accounting Direction for private registered providers of social housing 2022 (which has been early adopted as encouraged by the Regulator of Social Housing). The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charge income receivable in the year net of rent and service charge losses from voids, revenue grants and the amortisation of government grants.

Interest income is recognised using the effective interest method and dividend income is recognised as the association's right to receive payment is established.

1.4 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property. Any items with a cost of less than £1,000 are deemed to be repairs and are recognised in the income and expenditure account.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	50 to 100 years straight line basis or components as below
Fixtures and fittings	5 years straight line basis
Vehicles	5 years straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

Major components of housing properties, including roofs (50 to 60 years), double glazing (30 years), boilers (15 years), heating (30 years), bathrooms (20 years), kitchens (20 years), lifts (30 years) and heating distribution (30 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

The useful economic lives of all tangible fixed assets are reviewed annually.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include rent arrears and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through income and expenditure are measured at fair value.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the association's obligations are discharged, cancelled, or they expire.

1.9 Taxation

The association has charitable status with HM Revenue and Customs and no charge to Corporation Tax tax arises on these results. Deferred tax is therefore also not applicable.

The association is not registered for VAT and all expenditure is shown inclusive of VAT.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

2 Change in accounting policy

In 2021, the Association reviewed their capitalisation policy and decided to reduce their capitalisation limit from £10,000 to £1,000. They also decided that going forward they would treat kitchens and bathrooms as major components and as a result these items would be capitalised.

These changes to their accounting policy should provide reliable and more relevant information as it accurately identifies any upgrades to major components and provides a more detailed approach.

The impact of the above in the year resulted in an additional £110,929 housing property component additions, along with associated housing property component disposals totalling £45,786. These disposals also resulted in a £22,651 loss on disposal of these assets.

It is impractical to determine the amount of the adjustment for the prior periods due to the change in this policy.

3 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimated useful lives

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

4 Social housing turnover and costs

	2021 £	2020 £
Rents receivable excluding service charges	823,974	804,937
Service charges receivable	767,085	729,363
Other sundry income	2,219	988
Amortisation of capital grants	17,041	17,041
	<u>1,610,319</u>	<u>1,552,329</u>
Social housing activity expenditure	(1,525,316)	(1,396,199)
	<u>85,003</u>	<u>156,130</u>
Operating surplus/(deficit) from social housing activities	<u>85,220</u>	<u>158,495</u>
Net surplus/(deficit) from social housing activities	<u>85,220</u>	<u>158,495</u>
Void losses	<u>(43,417)</u>	<u>(34,657)</u>

5 Accommodation owned and in management

	Number of units at 31 December 2021	Number of units at 31 December 2020
Completed units:		
Sheltered housing let at social rent - 2 person flats	99	97
Sheltered housing let at social rent - 1 person flats	142	142
	<u>241</u>	<u>239</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Operating surplus

	2021	2020
	£	£
Operating surplus for the year is stated after charging:		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	4,432	4,326
Accountancy services	1,420	1,430
Depreciation of owned tangible fixed assets	326,931	329,133
Deficit on disposal of tangible fixed assets	22,651	-
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the association during the year was:

	2021	2020
	Number	Number
Office staff	5	3
Wardens	6	6
Maintenance and cleaning	9	9
Wellbeing assistant	-	1
	<u> </u>	<u> </u>
	20	19
	<u> </u>	<u> </u>
Average full time equivalent (based on a 37.5 hour week)	15	13
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	418,299	335,847
Social security costs	35,519	25,754
Pension costs	28,727	24,559
	<u> </u>	<u> </u>
	482,545	386,160
	<u> </u>	<u> </u>

8 Board and key management personnel remuneration

	2021	2020
	£	£
Remuneration for qualifying services	76,191	56,850
	<u> </u>	<u> </u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Board and key management personnel remuneration

(Continued)

No remuneration was receivable by board members.

The highest paid director received £50,041 (2020 - £56,850) remuneration (excluding pension contributions).

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	217	2,365
	<u>217</u>	<u>2,365</u>

10 Taxation

The association has charitable status with HM Revenue & Customs and on the basis of these financial statements no provision has been made for corporation tax.

11 Tangible fixed assets

	Housing properties	Fixtures and fittings	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2021	18,734,760	92,106	11,006	18,837,872
Additions: works to existing properties	171,628	-	-	171,628
Disposals	(102,786)	-	-	(102,786)
At 31 December 2021	<u>18,803,602</u>	<u>92,106</u>	<u>11,006</u>	<u>18,906,714</u>
Depreciation and impairment				
At 1 January 2021	5,377,605	76,987	4,203	5,458,795
Depreciation charged in the year	320,490	5,040	1,401	326,931
Eliminated in respect of disposals	(80,135)	-	-	(80,135)
At 31 December 2021	<u>5,617,960</u>	<u>82,027</u>	<u>5,604</u>	<u>5,705,591</u>
Carrying amount				
At 31 December 2021	<u>13,185,642</u>	<u>10,079</u>	<u>5,402</u>	<u>13,201,123</u>
At 31 December 2020	<u>13,357,155</u>	<u>15,119</u>	<u>6,803</u>	<u>13,379,077</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2021 £	2020 £
Freehold	13,172,635	13,343,815
Long leasehold	13,007	13,340
	<u>13,185,642</u>	<u>13,357,155</u>

12 Investment property

	2021 £
Fair value	
At 1 January 2021	-
Additions through external acquisition	6,420
At 31 December 2021	<u>6,420</u>

Investment property comprises of the initial costs incurred in relation to the acquisition of a commercial property in Southsea which has been identified as having redevelopment potential. The premises are currently used by three tenants and it is the intention that their leases will be honoured before redevelopment begins.

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Social housing rent arrears	12,400	9,025
Prepayments and accrued income	18,543	11,937
	<u>30,943</u>	<u>20,962</u>

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Rents paid in advance		52,392	44,406
Other taxation and social security		372	354
Government grants	16	17,041	17,041
Accruals and deferred income		34,627	38,277
		<u>104,432</u>	<u>100,078</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Government grants	16	705,457	722,498

16 Government grants

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Current liabilities	17,041	17,041
Non-current liabilities	705,457	722,498
	<u>722,498</u>	<u>739,539</u>
Social housing government grants		
At 1 January 2021	1,163,949	1,163,949
At 31 December 2021	<u>1,163,949</u>	<u>1,163,949</u>
Amortisation		
At 1 January 2021	424,410	407,369
Amortised during the year	17,041	17,041
At 31 December 2021	<u>441,451</u>	<u>424,410</u>
Carrying amount		
At 31 December 2021	<u>722,498</u>	<u>739,539</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £637,293 (2020: £654,334).

17 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to income and expenditure in respect of defined contribution schemes	<u>28,727</u>	<u>24,559</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Share capital

	2021	2020
	£	£
Ordinary share capital Issued and fully paid		
11 Ordinary of £1 each	11	11

These shares do not carry any right to a dividend, cannot be redeemed and do not give any provision for a distribution on a winding up. All members are entitled to vote at General Meetings.

19 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	85,220	158,495
Adjustments for:		
Investment income	(217)	(2,365)
Loss on disposal of tangible fixed assets	22,651	-
Depreciation and impairment of tangible fixed assets	326,931	329,133
Movements in working capital:		
Increase in debtors	(9,981)	(2,429)
Increase in creditors	4,354	1,840
Decrease in deferred income	(17,041)	(17,041)
Cash generated from operations	<u>411,917</u>	<u>467,633</u>

20 Analysis of changes in net debt

	2021
	£
Opening net funds	
Cash at bank and in hand	2,150,680
Changes in net debt arising from:	
Cash flows of the entity	234,086
Closing net funds as analysed below	<u>2,384,766</u>
Closing net funds	
Cash at bank and in hand	<u>2,384,766</u>

21 Non-audit services provided by auditor

In common with many other association's of our size and nature we use our auditors to assist with the preparation of the statutory financial statements.

AGAMEMNON HOUSING ASSOCIATION LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

AGAMEMNON HOUSING ASSOCIATION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Turnover				
Rents receivable excluding service charges		846,808		822,941
Service charges receivable		787,668		746,016
Void losses		(22,834)		(18,004)
Services voids		(20,583)		(16,653)
Other social housing income		2,219		988
Amortisation of capital grants		17,041		17,041
		<u>1,610,319</u>		<u>1,552,329</u>
Administrative expenses		<u>(1,525,316)</u>		<u>(1,396,199)</u>
Operating surplus		85,003		156,130
Investment revenues				
Bank interest received	217		2,365	
		<u>217</u>		<u>2,365</u>
Surplus before taxation	5.29%	<u><u>85,220</u></u>	10.21%	<u><u>158,495</u></u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Administrative expenses		
Wages and salaries	418,299	335,847
Social security costs	35,519	25,754
Staff recruitment costs	3,328	2,662
Training costs	6,573	1,512
Staff pension costs defined contribution	28,727	24,559
Council tax, sewage and water expenses	39,770	48,308
Cleaning	16,303	23,830
Laundry equipment	8,439	8,295
Power, light and heat	138,504	120,508
Building repairs	10,126	43,130
Planned repairs and maintenance	85,898	134,372
Maintenance and stores	31,696	27,235
Contract repairs and maintenance	124,576	56,967
Garden maintenance and landscaping	19,707	21,582
Equipment	35,504	37,410
Insurance	34,382	25,187
Motor running expenses	3,884	1,429
Affiliation fees and subscriptions	4,671	2,910
Legal and professional fees	83,702	79,692
Accountancy fee payable to the auditors	1,704	1,716
Audit fees	5,318	5,191
Bank charges	1,151	1,014
Bad and doubtful debts	526	-
Printing, postage and stationery	4,063	2,950
Website costs	4,052	6,416
Telecommunications	15,471	9,286
Careline costs	8,215	9,462
Hospitality	4,769	3,222
Sundry expenses	857	6,620
Depreciation	326,931	329,133
Profit or loss on fixed asset disposal	22,651	-
	<u>1,525,316</u>	<u>1,396,199</u>