



**Blackpool Coastal
Housing**

Report and Financial Statements

For the year ended 31st March 2023

INSPIRING PEOPLE TO BUILD SUSTAINABLE COMMUNITIES

Company Registration Number: 05868852

Blackpool Coastal Housing Limited

Company Limited by Guarantee

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DIRECTORS

Cllr Neal Brookes (Chair)

Maureen Cameron

Resigned 14 February 2023

Neil Herring

Cllr Jim Hobson

Cllr Derek Robertson

Resigned 9 May 2023

Cllr Julie Sloman

Appointed 25 May 2023

Andrei Szatkowski

Marie Thompson

Maggi Gilkes

Resigned 26 May 2023

Tracey Johnson

SECRETARY

Mark Towers

SENIOR MANAGEMENT TEAM

John Donnellon

Chief Executive

Stephen Dunstan

Director of Resources

Maggie Cornall

Director of Operations

REGISTERED OFFICE

Coastal House
17-19 Abingdon Street
Blackpool
Lancashire
FY1 1DG

AUDITOR

Xeinadin Audit Limited
Sidings House
Sidings Court
Lakeside
Doncaster
DN4 5NU

BANKERS

Barclays Bank
3 Hardman Street
Manchester
M3 3HF

SOLICITORS

Legal and Democratic Services
Blackpool Council
Town Hall
Blackpool
FY1 1NB

ACTUARY

Mercer
Mercury Court
Tithebarn
Liverpool
L2 2QH

INCORPORATION

Blackpool Coastal Housing Limited ("BCH") was incorporated on 6 July 2006 and commenced operations on 15 January 2007 as a result of entering into a fifteen year management agreement between Blackpool Council and the Company.

CONSTITUTION

The Company is incorporated as a private company limited by guarantee under the Companies Act 2006. As such it has no share capital and is effectively owned by its sole member, Blackpool Council.

BUSINESS REVIEW AND RESULTS FOR THE PERIOD

The year ended 31 March 2023 was the sixteenth full year of operation for the Company and the financial result was a surplus of £44,000 (pre adjustment for International Accounting Standard (IAS) 19) (2022: £76,000 surplus). The Company's revenue for the year was £14,786,000 with a pre-tax loss of £1,620,000 (2022: £1,461,000 loss). The adjusted surplus from £44,000 to £1,620,000 loss is as a result of the adjustments required by the recognition of the pension liability accounted for under IAS 19. Included within these results is revenue of £326,000 relating to the Art Council's Creative People and Places programme and expenditure of £366,000. The difference of £40,000 represents the Company's match funding contribution.

Excluding the IAS 19 adjustments a surplus of £44,000 would have been reported. The reconciliation between these figures is set out below reversing the IAS 19 adjustments currently shown as a loss within the income statement.

	Yr ended 31 March 2023 £ '000	Yr ended 31 March 2022 £ '000
Loss for the period under IAS 19 (revised)	(1,620)	(1,461)
Current service cost	2,180	1,951
Administration Expenses	34	29
Curtailments/settlements	139	-
Operating charge under IAS 19	2,353	1,980
Actual employer pension contributions	(947)	(705)
Net interest cost	258	262
IAS 19 adjustment in the period	1,664	1,537
Surplus for the period excluding IAS 19 (revised)	44	76

VISION, VALUES AND PRIORITIES

Vision

Our vision is 'Inspiring People to Build Sustainable Communities'.

Values

We will go about our work with:-

- Positivity
- Respect and compassion
- Integrity
- Dynamism
- Energy

Our Priority Areas Looking Ahead

- Continue to sustain improvement in core housing services as these ensure we can deliver the bedrock of stable, secure and affordable housing that will underpin community resilience.
- Retain the positive outcomes that have been a by-product of the enforced change due to the pandemic and be fleet of foot to exploit opportunities as they arise providing we can demonstrate a clear financial case and strong impacts for customers.
- Consolidate and grow our supported housing model that is working with care leavers, the elderly, and people suffering from substance abuse, those who are homeless and those adrift from the job market with the aim of widening the reach to include the new cohort of rough sleepers and reduce the burden on other public services.
- Bring JFH under the BCH umbrella as a subsidiary of BCH in order to give JFH more long term stability and embed the learning from the JFH approach in our wider supported housing.
- Review and develop our asset management strategy and delivery to take account of our commitment to be carbon zero by 2030 and our need to ensure the council's social housing stock is sustained into the future and that we link the benefits of green investment and jobs to local people.
- Accelerate and deepen the joint working between both Council owned housing companies in order to deliver a more comprehensive, meaningful and cost effective impact on the whole housing market through levelling up the inner area which represents the single biggest housing challenge Blackpool faces.
- Seek out new funding and partnerships in the public and private sector to ensure we collectively make our communities more sustainable with the ability to thrive.

EQUALITY & DIVERSITY STATEMENT

BCH is committed to providing services that meet the needs of all sections of the community housed by Blackpool Council, living near properties managed by BCH, or seeking access to housing services or information about housing services in the Blackpool area.

We value and celebrate the richness of cultures, backgrounds and traditions of the town's population.

BCH is also committed to developing a workforce and a Board that reflects the community it serves. We seek to be an employer that values and develops the skills and abilities of people from different backgrounds.

As a provider of housing services to local people we recognise our important role in improving the quality of life for everyone in Blackpool, the need to be accountable to tenants, leaseholders and the Council and to deliver all services with equality and fairness. We work in partnership with Blackpool Council contributing towards their equality and diversity agenda and other relevant strategies.

BCH will not tolerate discrimination against anyone because of their race, religion or belief, culture, nationality, ethnic background, colour, physical or mental disability, mental health, gender, sexuality, age, literacy, caring responsibility, income level or marital status.

The company retains a service level agreement with the Council's Equalities Unit. As well as ad hoc support and advice this enables attendance at their Corporate Equalities Group to share best practice and agree approaches to shared equalities issues.

PERFORMANCE REVIEW 2022/23

Our business priorities are decided by our Board. Their decisions on our goals are reviewed at an annual strategy meeting. What we know about our customers' needs and wants, our contract with Blackpool Council, and the wider local and national policy environment are all considered in reaching the decision as to what our goals should be. Going forward the new Tenant Satisfaction Measures will provide further information on tenant perception to inform this.

The Board of BCH is ultimately responsible for the performance of the organisation and regularly monitors and reviews performance against the objectives and targets. Monitoring by the Board complements the arrangements agreed with the Council as set out in the Management Agreement.

KEY PERFORMANCE INDICATORS

Using a balanced scorecard approach, BCH measures performance at organisational, directorate and service levels. As in the previous year most performance targets in the Balanced Scorecard were met or exceeded, where this was not the case explanations were provided to the Board on a quarterly basis. The balanced scorecard has been reviewed in conjunction with the Board to reflect the requirements in the recent White Paper.

Rental income collection remains a key priority, not because the service is performing poorly but because of the impacts of the cost of living crisis on rent paid. The rent collection performance in the year under review was very strong in the circumstances. Going forward this pressure will remain, and continuing migration of customers to Universal Credit will also cause operational challenges.

The turnaround of void properties also has a significant impact on total rent collected. The number of properties held void has reduced as processes have improved and driving this down further will be a priority in the coming year, particularly given challenges around material prices.

Day to day repairs performance remains strong. Performance during the year under review continued to be upper quartile in peer benchmarking. The furnished tenancies delivery model trialled in last year's report has now been agreed and is moving to the implementation phase.

SERVICES PROVIDED

BCH is responsible for administering all landlord housing services, including the Building Maintenance Direct Workforce, which delivers the Day to Day and Void Housing Repairs Services. BCH is also responsible for determining and implementing cyclical and planned maintenance programmes.

Supported Housing Services are provided for vulnerable tenants, particularly older people and homeless people, including a Sheltered Housing Service and an Emergency Housing Service. Recent changes have seen an increasing role supporting the Council with care leaver provision and looked after children in care. Contracting agreements are in place to allow BCH to manage Blackpool Council's Traveller Site.

The Care and Repair Service, the Council's Home Improvement Agency, remains with BCH following a transfer from the Council. BCH also continues to be the accountable body for some of the funding of the Left Coast consortium under the Arts Council's Creative People and Places programme. This is being used to increase participation in, and consumption of, the arts in traditionally hard to reach groups. The Council's Property Services function continues to be combined with the Repairs team, delivering economies of scale and undertaking projects on behalf of the Council.

Stability and quality of housing is seen as a fundamental element underpinning the resilience of local communities as well as providing the base for aspiration and ambition. BCH has added new services to help secure and stabilise tenancies by providing employment support to those furthest from the labour market, increasing access to supported housing and hostel accommodation for care leavers and hosting support services for ex-offenders and substance misusers.

The company continues to widen and deepen collaboration with our sister company, the Blackpool Housing Company; going forward we look to increase the efficiency and effectiveness of delivery of Blackpool Council's housing ambition. The two companies and the Council are collaborating on a major redevelopment on the Grange Park Estate.

Recent additions to the services we provide on behalf of the Council include the Bispham House facility for looked after children within the care system with other similar provision in the pipeline. The company has also taken on the role of trusted organisation for the facilitation of the Revoe-lution Partnership in that inner ward of the town.

BCH is committed to addressing climate change and is working with the Carbon Trust and the Council to become carbon neutral by 2030.

The functions delegated to BCH can be summarised as:

- Income collection
- Management of the Housing Revenue Account
- Tenant information and consultation on matters which are the responsibility of BCH
- Tenant participation, including involvement in monitoring and review of service standards
- Anti-Social Behaviour management
- Enforcement of tenancy conditions
- Leaseholder management
- Stock investment decisions
- Responsive repairs
- Planned and cyclical maintenance
- Managing lettings, voids and under occupation
- Tenancy sign up and allocation
- Estate management; and
- Sheltered Housing service and Hostels

The functions retained by the Council include:

- Overall housing strategy and enabling
- Determining policies on lettings, anti-social behaviour and rents (in consultation with BCH)
- Homelessness, general housing advice; and

- Administration of the Housing Register

FUTURE DEVELOPMENTS

The BCH Business Plan sets out the company's strategic aims and operational targets, and how they are to be delivered, as required under the terms of the Management Agreement with Blackpool Council. The key development aims in the new financial and performance year are set out below:

Maintaining quality in our core services

We know we provide a stable, secure and affordable housing option as a base to allow individuals, families and communities to develop the resilience they need to thrive. We will have a continued focus on being a top performing landlord that provides good quality accommodation across all our stock. In particular we will focus on:

- Ensuring our core housing management services retain their external accreditation as a way of demonstrating and testing the quality of our service to customers and we will add to those accreditations where we have the opportunity.
- Continuing the upward trajectory across our key performance indicators paying particular attention to maintaining customer satisfaction, reducing the cost of void works and maintaining our rent collection levels while tackling the root causes of our higher than average number of ASB cases which contributes to a higher than average tenancy turnover rate. We will also focus on reducing the time it takes to let properties.
- Continuing to innovate in rent collection recognising that though our rents remain low many tenants can face difficulty meeting their commitments. The impact of economic recession will exacerbate this problem and we will maintain resource in financial support allied to the rent collection process as we anticipate increased demand in this area.

Moving to the next level in managing the Councils assets

- Delivering a continued programme of capital investment designed to keep all our property at Decent Homes Standard or above. We will ensure where we make investments in properties they are done with the aim of reducing running costs and household bills.
- We will work with the Council to review Council Homes Investment Plan to align our work with the wider housing market investment programme while seeking to grow the social housing stock where we have the opportunity.
- We will review our investment plans against our stated target of becoming carbon zero by 2030, and utilise our asset knowledge alongside the best external advice to make sure we can extend the life of Council stock in a sustainable way.
- Investing in the facilities and environment that surrounds our properties recognising the important role environment and community facilities can play in knitting communities together and supporting individuals.
- Working with the Council and partners to develop and implement a medium term investment plan that utilises the investment potential of the HRA, grant, private sector investment and available sites to deliver on the Council's and BCH's core objectives.

- Maximising the opportunity of the realigned assets and operations structure to ensure we remain at optimum efficiency in how we schedule and undertake day to day repairs and capital investment.

Increasing resilience

We have already stated that our services are not an end in themselves but a tool to deliver the resilience that will allow individuals and communities to thrive in stable and secure settings. We have shown with our interventions with care leavers, with people in recovery from substance abuse and with our training and work programmes that secure and stable housing coupled with the right support can produce tangible results and at the same time reduce pressure and costs elsewhere in the public sector. We believe that this approach will be more important than ever as our communities work through the cost of living crisis and recession. We will:

- Use our acquired knowledge and experience to work with the Council in developing housing based support solutions that will seek to ease the burden on statutory services and prevent individuals from falling into already hard pressed services elsewhere in the public sector.
- Consolidate and grow our existing Positive Transitions programme with care leavers and vulnerable young people and embed the model to bring back into Blackpool vulnerable children currently placed outside the borough.
- Seek to develop our support programme for the care leaver cohort who have missed out on the current programme but still remain the responsibility of the local authority particularly with the provision at William Lyons House.
- Seek to extend the life of our More Positive Together programme that supports individuals furthest from the labour market into training, volunteering and employment specifically by linking the expertise and experience to the levelling up work planned for the inner area
- Develop new emergency housing provision in conjunction with the Council to meet the increasing demand and in the knowledge that the economic climate will place even more pressure on already stretched services.
- Incorporate Jobs Friends and Houses into BCH to formalise the existing strong relationship and assist the growth and positive impact JFH is achieving.
- Seek to work with our community partners and build on the relationships we have developed to maximise the use of our community centres to help alleviate the cost of living crisis all our communities face.
- Investigate the potential for developing local Green Jobs as part of our carbon reduction strategy and work with our partners to ensure the long term benefits of investment in sustainability are retained locally.
- Work with our partners in health to jointly invest in tackling poor health by focusing on prevention and resilience and maximising the access to good quality, stable and affordable housing choices.

Making an impact on the wider housing market

While we have demonstrated strong performance in recent years we can neither rest on our laurels nor ignore the wider housing market we operate in. As a wholly owned company of the Council we need to

apply our expertise, experience and resource to making a positive impact both as the town's biggest landlord and as an agent of change. To make a difference in the wider market we will:

- Work with the Council and our sister company operating in the private rented sector to develop closer and more formal working arrangements in order to maximise investment and subsidy in all areas of the housing market. In particular we will seek to target CHIP acquisitions at the developing "Levelling Up" programme building on Blackpool's pilot status.
- Share and pool our expertise and resources to make sure that we achieve the best value for money and the most effective management of stock in order to free up resources for new investment.
- Continue to address the problem of steel framed properties in the Haweside area as part of a wider neighbourhood renewal plan.
- Work cooperatively to speed up and grow the positive impact on the private rented sector that the Blackpool Housing Company has already started to have.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have fully considered all major known risks and uncertainties, which may affect the Company in the foreseeable future.

The Company's primary source of income is from Blackpool Council, under a Management Agreement. The initial fifteen year agreement expired on 31 March 2021, an extension of five years has been agreed. The Management Fee is funded from the Council's ring-fenced Housing Revenue Account (HRA) and is negotiated annually in advance. The implementation of Self-Financing for Council Housing in April 2012, and abolition of the HRA subsidy system, has increased financial certainty and improved strategic planning for the Council and the Company. Forecast increases in the cost of living may impact on the ability of some tenants to pay their rent, this situation will be actively monitored.

Details of financial risk management policies can be found in note 2 to the financial statements.

GOING CONCERN

For the year ended 31 March 2023, the Company is reporting net assets of £7,286,000 on the statement of financial position due to the requirement to account for actuarial gains/losses reported through the pension valuation (IAS 19). This would be £759,000 excluding the pension scheme asset. This does not, on itself, impact on the cash flows of the Company or on its ability to attract funding and therefore does not impact on the going concern concept. The Council has agreed to meet all liabilities.

By order of the Board

Cllr Neal Brookes
Chair

26th July 2023

The directors submit their report and financial statements of Blackpool Coastal Housing Limited for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The Company's principal business activities are to manage, maintain and improve the social rented housing stock of Blackpool Council.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,620,000. Further detail can be found in the Strategic Report. The directors have not recommended a dividend as there is no share capital.

DIRECTORS

Under the Memorandum and Articles of Association the nine Non-Executive directors represent the local community:

- Three Blackpool Council nominees*
- Two tenants
- Four independent members

*The number of Council nominees changed permanently in May 2019, from four to three.

The directors who served during the year are shown on Page 1. Non-Executive directors served throughout the period and subsequently, except where indicated. There are no statutory Executive directors. Third party indemnity insurance was in place for the Directors during the period. The directors have no interests in the Company.

STRATEGIC REPORT

Review of the business, key performance indicators, future developments and principal risks and uncertainties are all included in the Strategic Report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board

Cllr Neal Brookes
Chair

26th July 2023

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements of the company in accordance with UK-adopted International Financial Reporting Standards ("IFRS").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRS as adopted by the UK;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Blackpool Coastal Housing Limited website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of Blackpool Coastal Housing Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of total comprehensive income, statement of changes in equity, statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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.

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 company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors 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 there is 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, 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 company'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 company 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.

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:

Based on our understanding of the Company, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements.

As part of this assessment we considered both quantitative and qualitative factors. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and IFRS.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements which included the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries, omitting, advancing or delaying recognition of events and transactions that have occurred during or after the reporting period, and potential management bias in the determination of accounting estimates or judgements to manipulate results.

Audit procedures performed by the engagement team include:

- Enquiring of and obtaining written representation from management in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of board meeting minutes and meetings of those charged with governance;
- Identifying and, where relevant, testing journal entries posted by senior management or with unusual combinations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Incorporating elements of unpredictability into the nature, timing and/or extent of audit procedures performed.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kelvin Fitton BA FCA (Senior Statutory Auditor)
For an on behalf of Xeinadin Audit Limited
Statutory Auditors
Sidings House, Sidings Court
Lakeside, Doncaster
DN4 5NU

Date

Blackpool Coastal Housing Limited

Company Limited by Guarantee

STATEMENT OF TOTAL COMPREHENSIVE INCOME for the year to 31 March 2023

	<i>Notes</i>	2023 £'000	2022 £'000
REVENUE	3	14,786	13,358
Operating costs	4	<u>(16,148)</u>	<u>(14,557)</u>
LOSS FROM OPERATIONS	4	(1,362)	(1,199)
Finance costs	5	(258)	(262)
LOSS BEFORE TAXATION		<u>(1,620)</u>	<u>(1,461)</u>
Income tax expense	7	-	-
LOSS FOR THE YEAR	14	<u>(1,620)</u>	<u>(1,461)</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Actuarial gain on defined benefit obligations	17	17,867	4,685
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>16,247</u>	<u>3,224</u>

The loss for the year arises from the Company's continuing operations.

The loss for the year and total comprehensive income is entirely attributable to its sole member (note 18).

	Pension reserve £'000	Retained Earnings £'000	Total £'000
BALANCE AT 1 APRIL 2021	(12,824)	639	(12,185)
(Loss) / surplus for the year	(1,537)	76	(1,461)
Other comprehensive income, net of tax:			
Actuarial loss on defined benefit obligations	4,685	-	4,685
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	3,148	76	3,224
BALANCE AT 31 March 2022	(9,676)	715	(8,961)
(Loss) / surplus for the year	(1,664)	44	(1,620)
Other comprehensive income, net of tax:			
Actuarial gain on defined benefit obligations	17,867	-	17,867
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	16,203	44	16,247
BALANCE AT 31 March 2023	6,527	759	7,286

Blackpool Coastal Housing Limited

Company Limited by Guarantee

STATEMENT OF FINANCIAL POSITION

31 March 2023

Company Registration No:05868852

	<i>Notes</i>	2023 £'000	2022 £'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	26	38
Right of use assets	9	66	47
		92	85
CURRENT ASSETS			
Inventories	10	11	11
Trade and other receivables	11	1,164	1,394
Cash and cash equivalents	8	1,653	1,454
		2,828	2,859
NON CURRENT ASSETS			
Retirement benefit	17	6,527	-
		9,447	2,944
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables	12	(2,095)	(2,182)
Leases	16	(33)	(47)
NON CURRENT LIABILITIES			
Leases	16	(33)	-
Retirement benefit obligations	17	-	(9,676)
		(2,161)	(11,905)
TOTAL LIABILITIES			
NET ASSETS / (LIABILITIES)		7,286	(8,961)
EQUITY			
Retained Earnings		759	715
Pension Reserve	14	6,527	(9,676)
		7,286	(8,961)
TOTAL EQUITY		7,286	(8,961)

The financial statements on pages 15 to 36 were approved by the Board and authorised for issue on 26th July 2023 and are signed on its behalf by:

Cllr Neal Brookes
Chair

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2023

	Notes	2023 £'000	2022 £'000
OPERATING ACTIVITIES			
Cash used in operations	15	246	211
INVESTING ACTIVITIES			
Assets recognised under adoption of IFRS 16		(66)	-
Disposal of property, plant and equipment			
FINANCING ACTIVITIES			
Lease liabilities recognised on adoption of IFRS 16		66	-
Lease liabilities paid in year		(47)	(47)
NET INCREASE IN CASH AND CASH EQUIVALENTS		199	164
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,454	1,290
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,653	1,454

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards. The accounts are prepared in GBP £'000's and the company is domiciled in the UK.

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the UK. Some of the IFRS recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP.

FORM OF ACCOUNTS

In view of the nature of the Company's activities, the headings in the Companies Act 2006 Part 15 are prescribed to be inappropriate, and a summary income and expenditure account is presented in place of the prescribed profit and loss account. The directors have taken advantage of paragraph 396 of Part 15 to the Companies Act 2006 which allows the preparation of accounts to be adapted to reflect the special nature of the Company's activities.

GOING CONCERN

The Company's activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. This sets out how the Company's net liabilities have been impacted by the IAS 19 pension scheme valuation and that this does not itself directly impact the going concern basis of accounting. On the basis of their assessment of the Company's financial position and future income streams, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

REVENUE RECOGNITION

Revenue represents fees for general property management and the redistributed Arts Council funding and it is stated net of value added tax. All income is recognised at the point of service delivery. The Management Fee from Blackpool Council is received monthly in arrears.

PROPERTY, PLANT AND EQUIPMENT

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Vehicles, Plant and Equipment	Straight line over 3-5 years
Computer and IT Equipment (including digital TV equipment)	Straight line over 3-10 years

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each reporting date the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT (continued)

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

RIGHT OF USE ASSETS AND LEASE LIABILITIES

The company leases various buildings and plant and equipment.

Until the 2019 financial year, leases of buildings, plant and equipment were classified as either finance leases or operating leases. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company revalue its land and buildings that are presented within property, plant and machinery, it has chosen not to do so for the right-of-use buildings held by the company.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment.

Information about critical accounting estimates and judgements in the application of lease accounting is disclosed in note 1.

The company has changed its accounting policy for leases where the company is the lessee. Prior to this change, leases in which a significant portion of the risks and rewards of ownership were not transferred to the company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. The company used incremental borrowing rates specific to each lease and the rates range between 1.08%-4% translating to an average rate of 2.5%.

INVENTORIES

Inventory is stated at the lower of cost or net realisable value. Cost is calculated using the first in, first out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

PENSIONS

IAS 19 (revised), applicable for accounting periods commencing on or after 1st January 2013, has been adopted.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Actuarial gains and losses arising are recognised directly in other comprehensive income in the period in which they arise. Past service costs are recognised as an expense at the earlier date when the plan amendments or curtailments occur and when the entity recognises related restructuring costs or termination benefits. The net interest cost is charged to the Statement of Total Comprehensive Income.

An asset or liability is recognised equal to the present value of the defined benefit obligation. Any defined benefit surplus is restricted to the 'asset ceiling' defined as the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. The interest on the effect of any asset ceiling is recognised in income and expenditure and is determined by multiplying the effect of the asset ceiling by the discount rate as determined at the start of the period. The difference between this amount and the total change in the effect of the asset ceiling is recognised in other comprehensive income.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations. Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

TAXATION

HM Revenue and Customs have confirmed that the Company is exempt from corporation tax on its activities with Blackpool Council.

PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with the original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the income statement.

Cash and cash equivalents/liquid resources

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

INTERPRETATIONS AND STANDARDS EFFECTIVE IN THE CURRENT PERIOD

All new standards, amendments to standards or interpretations that became effective for the first time were adopted by the Company.

The IASB and IFRIC have issued the following standards and interpretations with effective dates as noted below:

Standard	Effective Date (for annual periods beginning on or after)
<p>IFRS 17, Insurance contracts This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.</p>	01/01/2023
<p>Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 The aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.</p>	01/01/2023
<p>Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction These require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.</p>	01/01/2024
<p>Amendment to IFRS 16 – Leases on sale and leaseback These include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted</p>	01/01/2023
<p>Amendment to IAS 1 – Non current liabilities with covenants These clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions</p>	01/01/2024

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2023 that have had a material impact on the company's financial statements.

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the Company's pension scheme.

The pension liability is calculated using a number of complex judgements and assumptions including the rate of consumer price index (CPI), rate of increase in salaries, changes in retirement ages, mortality rates and expected return of pension scheme assets. The sensitivity of the overall pension liability to changes in the weighted principal assumptions is detailed in note 17.

Under the going concern concept it is assumed that BCH will continue to operate for the foreseeable future and that there is neither the intention, nor the need, to liquidate the Company or cease trading.

2 FINANCIAL RISK MANAGEMENT

The Company's Board is responsible for reviewing the risk register and for risk management within the Company, including financial risks. The Board receive biannual reports on this matter to ensure that the risk mitigation procedures are compliant with Company policy and that any new risks are appropriately managed. Risks are also reviewed on a regular basis at department level and the key risks identified are kept under review by the Senior Management Team.

Liquidity risk and credit risk

Management's objective is to meet its liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is largely dependent on its largest customer, the Council, which represents 92.9% (2022: 94.4%) of its turnover in order to maintain the necessary cash headroom to operate effectively.

The Management Fee from the Council is receivable monthly in arrears by BCH. BCH is exposed to liquidity and credit risk principally in the event that the Council were to experience cash flow difficulties in paying BCH its management charge monthly or in returning the funds that BCH has deposited with it.

The Company maintains cash deposits with a UK bank. All BCH's cash and cash equivalents are held in a Council maintained bank account, separate from other Council funds.

Credit risk predominantly arises from trade receivables, principally the Council (71.1%). The likelihood that the Council will default on their debts is considered low risk.

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

2 FINANCIAL RISK MANAGEMENT (continued)

Liabilities – 2023	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	758	-	-	-	758
(excluding deferred income and other taxes and social security)	758	-	-	-	758

The table below analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

Assets – 2023	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	1,653	-	-	-	1,653
Trade and other receivables	1,164	-	-	-	1,164
	2,817	-	-	-	2,817

Liabilities – 2022	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	1,218	-	-	-	1,218
(excluding deferred income and other taxes and social security)	1,218	-	-	-	1,218

Assets - 2022	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	1,454	-	-	-	1,454
Trade and other receivables	1,394	-	-	-	1,394
	2,848	-	-	-	2,848

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

FINANCIAL RISK MANAGEMENT (continued)

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

Assets – 2023	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	1,653	1,653
Trade and other receivables	-	-	1,164	1,164
	-	-	2,817	2,817

Liabilities – 2023	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Trade and other payables (excluding deferred income and other social security)	-	-	758	758
	-	-	758	758

Assets – 2022	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	1,454	1,454
Trade and other receivables	-	-	1,394	1,394
	-	-	2,848	2,848

Liabilities – 2022	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Trade and other payables (excluding deferred income and other social security)	-	-	1,218	1,218
	-	-	1,218	1,218

Credit Risk

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

	2023	2022
	£'000	£'000
<i>Maximum exposure to credit risk</i>		
Trade and other receivables -		
Blackpool Council	828	1,202
Blackpool Housing Company Ltd	2	4
Other	334	188
	1,164	1,394

3 REVENUE

Sales were made wholly within the United Kingdom and derived from the Company's principal activity of housing management as detailed;

	2023 £'000	2022 £'000
HRA Management fee from Blackpool Council	11,535	10,945
Care & Repair Management fee from Blackpool Council	556	439
Other Blackpool Council Income	1,641	1,226
Blackpool Housing Company Ltd	3	3
Arts Council Funding	217	156
Arts Council Project Other Funding	109	152
Revoelution Project	143	114
More Positive Together Project Funding	525	282
Other	57	41
	<u>14,786</u>	<u>13,358</u>

4 LOSS FROM OPERATIONS

2023 £'000	2022 £'000
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Loss from operations is stated after charging:

Depreciation of property plant and equipment	59	59
Auditor's fees:		
On audit services	10	10
Rentals under operating leases	111	111

The following table analyses the nature of expenses:

	2023 £'000	2022 £'000
Staff costs (see note 6)	9,133	7,957
Depreciation and impairments (see note 9)	59	59
Repairs & Maintenance	2,997	3,162
Other expenses	3,959	3,379
Total expenditure allocated to operating costs	<u>16,148</u>	<u>14,557</u>

5 FINANCE INCOME AND COSTS

2023 £'000	2022 £'000
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Return on pension assets	(948)	(612)
Interest on pension liabilities	1,206	874
Interest payable on finance leases	-	-
	<u>258</u>	<u>262</u>

6	STAFF COSTS	2023	2022
		No.	No.
	The average monthly number of persons employed by the Company during the period was:	198	188
	Senior Management Team	3	3
	Support services	21	20
	Property services	57	56
	Care & repair	10	9
	Housing services (including Supported Housing)	87	87
	Arts Council Project	6	4
	More Positive Together Project	14	9
		<u>198</u>	<u>188</u>
		2023	2022
		£'000	£'000
	Wages and salaries	5,995	5,334
	Social security costs	607	514
	Other pension costs	2,353	1,980
	Modernisation and redundancy costs	-	33
		<u>8,955</u>	<u>7,861</u>
	Agency staff	<u>178</u>	<u>96</u>
		<u>9,133</u>	<u>7,957</u>

Remuneration to the Non-Executive Directors and Senior Management Team are detailed in note 18.

Non-Executive Directors' emoluments	2023	2022
	£'000	£'000
Remuneration for qualifying services	27	24
	<u>27</u>	<u>24</u>

7 INCOME TAX EXPENSE

The Company is a wholly owned subsidiary of Blackpool Council and its income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. There is no corporation tax liability arising on the Arts Council project activities.

8 FINANCIAL INSTRUMENTS

2023

	Loans and receivables £'000	Total £'000
Current financial assets		
Trade and other receivables	1,164	1,164
Cash and cash equivalents	1,653	1,653
Total	2,817	2,817

2023

	Other financial liabilities £'000	Total £'000
Current financial liabilities		
Trade and other payables (excluding deferred income and other social security)	758	758
Total	758	758

2022

	Loans and receivables £'000	Total £'000
Current financial assets		
Trade and other receivables	1,394	1,394
Cash and cash equivalents	1,454	1,454
Total	2,848	2,848

2022

	Other financial liabilities £'000	Total £'000
Current financial liabilities		
Trade and other payables (excluding deferred income and other social security)	1,218	1,218
Total	1,218	1,218

9 PROPERTY, PLANT & EQUIPMENT

	Property £'000	Computer and IT equipment £'000	Vehicles, Plant and Equipment £'000	Total £'000
Cost:				
At 1 April 2021	-	609	361	970
Additions	-	-	-	-
Disposals	-	-	(159)	(159)
At 31 March 2022	-	609	202	811
Additions	-	-	66	66
Disposals	-	(301)	(120)	(421)
At 31 March 2023	-	308	148	456
Accumulated depreciation and any recognised impairment losses:				
At 1 April 2021	-	559	267	826
Charged in the year	-	12	47	59
Disposals	-	-	(159)	(159)
At 31 March 2022	-	571	155	726
Charged in the year	-	12	47	59
Disposals	-	(301)	(120)	(421)
At 31 March 2023	-	282	82	364
Net book value:				
At 31 March 2023	-	26	66	92
At 31 March 2022	-	38	47	85
At 1 April 2021	-	50	94	144

Depreciation expense of £59,000 (2022: £59,000) has been charged to operating costs. As at 31 March 2023 the net carrying amount of assets held under finance leases included in property and plant and machinery is £66,000 (2022: £47,000).

10	INVENTORIES	2023 £'000	2022 £'000
	Raw materials and consumables	11	11
		<u>11</u>	<u>11</u>

Raw materials set out above are carried at cost.

11	TRADE AND OTHER RECEIVABLES	2023 £'000	2022 £'000
	Trade receivables – Blackpool Council	828	1,202
	Blackpool Housing Company Ltd	2	4
	Other receivables	334	188
		<u>1,164</u>	<u>1,394</u>

The following table provides analysis of trade and other receivables that were past due at 31 March, but not impaired. The Company believes that the balances are ultimately recoverable based on a review of past payment history.

	2023 £'000	2022 £'000
Over 3 months (but less than 12 months)	0	5
Over 12 months	2	2
	<u>2</u>	<u>7</u>

Payment terms are 30 days from the date of Invoice. No impairment losses have been recognised in the current or preceding years.

12	TRADE AND OTHER PAYABLES	2023 £'000	2022 £'000
	Trade and other payables are as follows:		
	Blackpool Council	812	678
	Other amounts payable relating to invoiced amounts	-	597
	Other accruals	482	290
	Other deferred income	434	391
	Other tax and social security	367	226
		<u>2,095</u>	<u>2,182</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 15 days (2022: 20 days).

The directors consider that the carrying amount of trade payables approximates to their fair value.

13 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated and domiciled in the United Kingdom, and is governed by its memorandum and articles of association. The guarantor is its sole member, Blackpool Council (see note 18) and is listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of the Company.

14	RESERVES	2023 £'000	2022 £'000
	Retained earnings at 1 April	(8,961)	(12,185)
	(Loss) for the year	(1,620)	(1,461)
	Actuarial gain (note 17)	17,867	4,685
		<hr/>	<hr/>
	At 31 March	7,286	(8,961)
		<hr/> <hr/>	<hr/> <hr/>
		2023 £'000	2023 £'000
	Analysed as:		
	Retained Earnings reserve (excluding pension scheme)	759	715
	Pension scheme surplus / (deficit)	6,527	(9,676)
		<hr/>	<hr/>
		7,286	(8,961)
		<hr/> <hr/>	<hr/> <hr/>
15	CASH FLOWS	2023 £'000	2022 £'000
	Reconciliation of loss from operations to net cash outflow used in operating activities		
	(Loss) before taxation	(1,620)	(1,461)
	Depreciation	59	59
	Pension contributions paid in period (note 17)	(947)	(705)
	Pension contributions charged in the period (note 17)	2,611	2,242
	Decrease / (Increase) in inventories	-	(2)
	Decrease / (Increase) in trade and other receivables	230	(280)
	Increase / (decrease) in trade and other payables	(87)	358
		<hr/>	<hr/>
	Net cash used in operations	246	211
		<hr/> <hr/>	<hr/> <hr/>

15 CASH FLOWS (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent:

	2023 £'000	2022 £'000
Cash at bank	1,653	1,454
	1,653	1,454

16 IFRS 16 LEASES

The company has lease contracts for its premises and vehicles used in operations. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts Recognised in the Statement of Financial Position

The balance sheet shows the following amounts relating to Leases :-

	31 March 2023 £000	1 April 2022 £000
Right of use assets		
Property	-	-
Vehicles, plant and equipment	66	47
	66	47
Lease liabilities		
Current	33	47
Non current	33	-
	66	47

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is an admitted member of the Lancashire County Pension Scheme, a local government funded defined benefit scheme. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

Key assumptions used:	2023	2022
	%	%
Discount rate	4.8	2.8
Expected rate of salary increases	4.2	4.8
Future pension increases	2.8	3.4

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2023	2022
	Years	Years
Male	86.5	87.3
Female	88.8	90.0

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

Male	87.8	88.7
Female	90.6	91.8

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Overall impact on liability
Discount rate	Increase by 0.5%	Decrease by £2,783,000
Salary growth rate	Increase by 0.25%	Increase by £312,000
Rate of mortality	1 year addition to life expectancy	Increase by £604,000

Amounts recognised in the Income Statement in respect of these defined benefit schemes are as follows:

	2023	2022
	£'000	£'000
Current service cost	2,180	1,951
Net interest cost	258	262
Administration Expenses	34	29
Effect of curtailments or settlements	139	-
	<u>2,611</u>	<u>2,242</u>

Of the charge for the year, £2,353,000 (2022: £1,980,000) has been included in operating expenses, and £258,000 (2022: £262,000) in finance costs, within the Income Statement.

Actuarial gains and losses are reported as "other comprehensive income". The gain recognised in 2023 was £17,867,000, against a gain in 2022 of £4,685,000, and the cumulative gain is £16,620,000 (2022: £1,247,000 loss).

The actual return on scheme assets was £1,072,000 (2022: £4,168,000).

The amounts included in the Statement of Financial Position arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

	2023 £'000	2022 £'000
Fair value of scheme assets	36,765	33,469
Present value of defined benefit obligations	(30,238)	(43,145)
Surplus / (Deficit) in scheme	<u>6,527</u>	<u>(9,676)</u>
Asset / (Liability) recognised in the Balance Sheet	<u><u>6,527</u></u>	<u><u>(9,676)</u></u>

All of the defined benefit plan obligations relate to funded schemes

Analysis for reporting purposes:

	2023 £'000	2022 £'000
Non-current assets	36,765	33,469
Non-current liabilities	(30,238)	(43,145)
	<u>6,527</u>	<u>(9,676)</u>

Movements in the present value of defined benefit obligations in the current period were as follows:

	2023 £'000	2022 £'000
At 1 April	43,145	41,776
Current service cost	2,180	1,951
Interest cost	1,206	874
Actuarial gains	(16,255)	(1,130)
Contributions by plan participants	369	320
Benefits paid	(546)	(646)
Curtailments/settlements	139	-
	<u>30,238</u>	<u>43,145</u>
At 31 March		

Movements in the fair value of scheme assets in the current period were as follows:

	2023 £'000	2022 £'000
At 1 April	33,469	28,952
Expected return on scheme assets	948	612
Actuarial gains	1,612	3,555
Administration expenses	(34)	(29)
Employer contributions	947	705
Employee contributions	369	320
Benefits paid	(546)	(646)
At 31 March	<u><u>36,765</u></u>	<u><u>33,469</u></u>

The analysis of the scheme assets and the expected rate of return at the reporting date were as follows:

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

	Fair value of assets £'000	
	2023	2022
Equities	37	32
Government bonds	-	268
Property	551	536
Cash	294	837
Other	35,883	31,796
	<u>36,765</u>	<u>33,469</u>

18 RELATED PARTY TRANSACTIONS

BCH's parent and ultimate parent is Blackpool Council. BCH is an Arm's Length Management Organisation of Blackpool Council, established to run the management and maintenance function of the Council's homes and other related buildings (chiefly hostels, community centres and garages). Blackpool Council has given an unlimited guarantee to the company dated 23 April 2015.

During the year BCH supplied services to Blackpool Council totalling £13,732,000 (2022: £12,610,000) and purchased goods and services from the Council totalling £1,861,000 (2022: £1,851,000).

At 31 March 2023, included in Trade and Other Receivables (note 11) is a total amount due from Blackpool Council of £828,000 (2022: £1,202,000) and included in Trade and Other Payables (note 12) is a total amount due to the Council of £812,000 (2022: £678,000). The net balance owed from Blackpool Council is £16,000 (2022: Owed from Blackpool Council £524,000).

During the year goods and services totalling £3,000 (2022: £3,000) were provided to Blackpool Housing Company Limited ("BHC"), a wholly owned subsidiary of Blackpool Council. During the year goods and services totalling £2,000 (2022: £nil) were purchased from BHC. At 31 March 2023, £2,000 (2022: £4,000) was owed from BHC.

Goods and services totalling £10,000 (2022: £2,000) were purchased from Blackpool Transport Services Limited ("BTS"), a wholly owned subsidiary of Blackpool Council. At 31 March 2023, £2,000 (2022: £nil) was owed to BTS.

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Remuneration of key management personnel

The remuneration of the Senior Management Team of the Company, including employer's National Insurance, is set out below in aggregate.

	2023	2022
	£'000	£'000
Short-term employee benefits	287	280
Post-employment benefits	69	64
	<u>356</u>	<u>344</u>

Remuneration of Non-Executive Directors totalled £27,000 (2022: £24,000) as disclosed in note 6.