



Annual Report and Group Financial Statements

**For the financial year ended
31st March 2021**

**Company Registration Number: 5340097
(England and Wales)**

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Company Information

Board Directors

Independent

Roger Eastwood (Chair)

Paul Gunnell

Mary Hope

Pamela Pearce (Vice-Chair)

Council

Candy Vaughan

Colin Belsey

Tenant

Sheilah Roberts (Vice-Chair)

Georgina Morgan

Executive Team

Ian Fitzpatrick (Managing Director)

Homira Javadi (Chief Finance Officer)

Company Secretary

Jane McCarthy-Penman

Registered Office

Town Hall
Grove Road
Eastbourne
East Sussex
BN21 4UG

Registered Number - 5340097

Auditor

RSM UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
Sussex
RH10 1BG

Bankers

Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
GILLINGHAM
Kent
ME8 0LS

Directors' Report

For the Year Ended 31st March 2021

The Directors present their annual report and consolidated financial statements for the year ended 31st March 2021.

Principal Activities

The Group's principal activities are to manage, maintain and improve the housing stock on behalf of Eastbourne Borough Council (EBC). The Parent Company was established as an Arms' Length Management Organisation (ALMO) in accordance with a Government policy initiative for local authority housing management. This is the fourteenth year that the Company has reported its results and the sixth time it has consolidated its subsidiary undertaking of South East Independent Living Limited (SEILL). The principal activity of its subsidiary at present is the delivery of a short-term housing floating support service for people 60 and over who live in Eastbourne, Lewes or Wealden districts.

Legal Status

Eastbourne Homes Limited (EHL) is a Company limited by guarantee without share capital and is controlled by Eastbourne Borough Council (EBC). It is governed by a Board of Directors and began trading on 1st April 2005. At 31st March 2021, there were eight out of nine Directors in office. Each Board Director is liable to pay £1 should EHL be wound up.

Results and Dividends

Turnover in the year amounts to £8.9m which is £2.2m up on the prior year with the lower turnover for 2019/20 due to adjustment to the management fees receivable from Eastbourne Borough Council.

Future Developments

The Board expects that the Group will continue to provide management services in line with the Management Agreement and the Sub-Delegation Agreement. The 2021/26 Business Plan which includes the 2021/22 Annual Plan has been agreed by EBC and published.

The pandemic and consequently, the lockdowns provided the company with a challenge around being able to provide essential services and maintaining safety for all residents. The March 2020 national lockdown meant that there were significant impacts on repairs performance and the ability to turn around voids expediently thereafter. To protect the safety of tenants we made changes to our service delivery to ensure essential services were maintained to safeguard our most vulnerable tenants. The communal lounges in our retirement housing schemes were closed to minimise the risks and reopened following the easing of restrictions in line with government guidance. Housing teams successfully moved tenant involvement activity onto a digital platform and also launched the Virtual 300 in anticipation of this being a longer-term method of engaging with our tenants.

Repair services were significantly impacted by the furlough scheme which meant contractors having fewer staff available and there were some areas of concern around the supplies of materials. A move from emergency repairs only was eased during August and with newer more robust 'covid-safe' risk assessments in place we were able to return to a relatively normal service. The lockdown created a backlog of repairs and void works, impacting on tenants and overall strategic and operational performance. There was also an impact on important larger projects, a notable example being the ability to carry out full stock condition surveys, a project that is now going to be completed later than anticipated.

Estate work is also now carried out more remotely than traditional practice, however, staff all now have new risk assessments to work with and an on-line training course in good management practice in this area of work.

Further lockdowns and legislation means that the situation remains fluid but Housing teams are now well prepared to enable us to provide excellent services, with safe working practices and fostering a safe living environment for our customers.

Furthermore, following East Sussex County Council confirmation that the Housing Floating Support contract which the subsidiary company (South East Independent Living Limited) is up for tendering with bids expected from 19th May 2021, the Board made the decision not to retender either unilaterally or jointly. Therefore, SEILL will end the delivery of the STEPS to stay independent contract on the 22nd November 2021. Permanent members of SEILL staff are eligible for TUPE transfer to the new provider which will start as part of the service transition from September 2021.

Control Environment

The Board acknowledges that, it has overall responsibility for establishing, maintaining and reviewing adequate systems of internal control. Its activities are in accordance with the contract with EBC and the legislative requirements. A number of Committees have been constituted with appropriate terms of reference and delegated authority. The process of identifying and evaluating risk is ongoing. Key elements include:

- Risk Management Policy, Strategy and annual review of Risk Register
- Robust Business Planning
- Risk based Internal Audit Programme
- Monthly Performance Monitoring
- Budget planning monthly monitoring and future forecasting
- Business Continuity Management Plan

Financial Instruments

EHL's operations have limited financial risk. EHL operates solely in the UK, maintains a current bank account and short-term treasury deposits of less than 12-months, plus a sweeping arrangement to a deposit account for excess cash. It does not have a bank overdraft facility or any loans.

EHL has minimal credit risk; its only significant debtor being EBC; consequently, EHL's cash flow and liquidity risk remain low.

Board Directors, Committees and the Executive Team

The Board Directors and Executive Team that served during the period are listed on the company information page. The Board Directors are drawn from a wide range of commercial, professional and community expertise and regularly assess their collective skills against those required to exercise proper governance over the Group.

The Board is constituted as follows; four seats for Independent Directors, selected by interview from the local community; two seats for Directors nominated by EBC and three seats are Directors that are also selected from the local community. As at the 31st March 2021, there was one vacancy, which was out to advert at the time of this report being prepared.

All are subject to an annual review and appraisal during April/May, and retire in accordance with Sections 14, 15 and 16 of the Company's Articles of Association to ensure that a balance between experience and new ideas is maintained. The position of Chair/Vice-Chair is appointed following the annual September AGM.

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

Roger Eastwood (Chair)

Paul Gunnell

Mary Hope

Pamela Pearce (Vice-Chair)

Council

Candy Vaughan

Colin Belsey

Tenant

Sheilah Roberts (Vice-Chair)

Georgina Morgan

The Board met quarterly during the year. Their role is to provide strategic direction and set policy while the day-to-day management is delegated to the Managing Director.

Two Committees report to Board: Service and Performance Committee and Audit and Risk Committee. Both Committees have delegated powers and meet on a quarterly basis.

Neither the Board Directors nor the Executive Team has any financial interest in EHL.

Insurance policies are in place to indemnify the Board and Executive Team against liability when acting for the Group. A section on dealing with conflicts of interest forms part of the secondment arrangements in respect of the staff who have responsibilities for more than one organisation in the group and associated organisations.

Remuneration

In December 2015, the Board along with the Member resolved to remunerate the Chair of the Board the sum of £3,510 per annum. This remuneration continues.

The remaining Board of Directors, in accordance with current guidance, can claim for out-of-pocket expenses or loss of earnings.

The Board is responsible for setting the Remuneration Policy for the Board.

As part of the review of the Business Plan for 2021/26, the Board reviewed their Mission, Vision Values and 5-Year objectives as

Mission

To work with all our stakeholders to not only provide excellent customer-focussed services but be a lead in the revitalisation of housing and communities for 21st century.

Vision

To maintain, develop and set pioneering standards for the provision of homes and housing services across the Borough.

Values

Excellence as standard – we will have clear measures to demonstrate our commitment to every resident based on genuinely caring about their homes and how their tenancies help support positive life chances.

Transparency – we will operate in an open, honest way and be accountable to residents and stakeholders.

Inclusivity – we will make sure that our services and homes enable all members of our communities to be included and to benefit from our services.

Innovation led – we will work with our stakeholders to continuously improve and adapt our homes and services to meet changing demands and expectations.

Key Operational Performance Indicators

Operational performance is measured against the Annual Service and Financial Plan agreed between EHL and EBC annually. The internal performance indicators are tracked monthly and reported to the Leadership Team and the Service and Performance Committee of the Board, quarterly.

Those affecting finance can be measured in three main areas; rent collection, repairs and void loss. The 2021/22 plan was agreed by Board in March 2021, as part of the overall Business Plan 2021/26,

During 2020/21 the Group:

- In consultation with our tenants, we reviewed and implemented an aligned Anti-Social Behaviour policy
- Throughout the pandemic we have undertaken weekly checks to a number of tenants living in the Eastbourne area to ensure they are safe and have access to food and medication. This is an additional service we have provided due to the impact of COVID-19.
- We revised a number of procedures and developed risks assessment to ensure we were able to provide essential services whilst protecting the safety of tenants and staff.
- The team have successfully managed a number of high level ASB cases throughout the pandemic and whilst the Coronavirus Act 2020 restricted our legal response we did recover two properties during the period.
- The aligned Pets Policy was drafted in consultation with tenants and approved. Implementation will start in 2021.
- The retirement housing service introduced additional check calls and letters keeping tenants engaged and informed. Training and equipment was provided to enable the Forum to meet virtually and with funding including the donations from the Area Panels Christmas trees with solar lights were placed in the scheme gardens and every retirement housing tenant received a tin of chocolates, to recognise the challenges they have endured.
- The measures taken to deliver services safely and minimise the risk of infections have led to very few cases of covid in our schemes and the impact on our tenants minimised.
- The gas and mechanical services contracts have been re-tendered and mobilised from September 2020. The new contractor, BSW Building have received very positive feedback from residents.
- Gas compliance has been maintained during the Covid 19 lockdowns
- Property Services have worked effectively during the lockdowns to maintain services and agreed supporting payments to be paid to Mears in accordance with the Government's Public Procurement Notice.
- The CX IT system has been further developed to enable batch payments to be made, this will avoid payments on account in future

- The in-house Asset Management team has been fully established since September 2020. A project management toolkit has been introduced. This encompasses all projects and budget management including accrual accounting
- An Asset Management Board has been established to optimise the use of our assets and to ensure synergy between projects and new developments
- The extension of Mears' contract for a further two years has been agreed.
- A repairs service project plan has been designed for the new two years and has commenced
- The Board has been advised on the progress of the Building Safety Bill and will continue to receive updates as it progresses through Parliament
- A stock condition survey has been commissioned and to date 71% of stock has been surveyed. The data is expected to be available to update the Business Plan by the end of May 2021. The data will continue to be collected during 2021
- A new Leasehold team has been established and to date they have reduced leasehold arrears by 18%
- The first of a series of sustainability projects has been designed as a pilot to be taken forward during 2021/2022
- Developed our digital involvement offer and increased the total number of involved tenants including recruiting over a hundred tenants and leaseholders onto our 'Virtual 300' virtual involvement panel.

Refreshed our approach to gathering satisfaction data annually and introduced efficiencies to the way we collect satisfaction data about our repairs service. Developed our digital involvement offer and increased the total number of involved tenants including recruiting over a hundred tenants and leaseholders onto our 'Virtual 300' virtual involvement panel

We undertook a range of audits across the organisation activities, which included:

- Implementation of our Tenant Involvement Strategy – which delivered substantial assurance of our approach
- Review of Sheltered Housing
- The Resident Scrutiny Team undertook a review of complaints handling, the final report and improvement plan will be formally agreed during 2021-22

The STEPS service continued to deliver both telephone and face-to-face housing support during the COVID 19 lockdown and resulting social restrictions. Referrals have grown steadily, especially self-referrals which have grown through positive word of mouth from clients within their networks. Visiting staff continue to minimise risk of infection through the use of PPE and working at a social distance when face-to-face with clients. All staff have taken advantage of early access to the COVID vaccine via Adult Social Care Occupational Health.

The STEPS Team (SEILL) carried on supporting key areas such as income maximisation with resulting awards of £361,995 received by clients in Attendance Allowance, grants, Personal Independence Payment and other benefits.

Principal Risks and Uncertainties

The Group's primary source of income is from EBC under a Management Agreement that operated during the year. The Management Fee is funded from the Council's ring fenced Housing Revenue Account (HRA).

Following consultation with stakeholders who considered a number of options in respect of future management of Council housing within Eastbourne, the chosen option was 'A Partnership between the ALMO and the Council'. The Council's Cabinet agreed in July 2014, a 20-year Management Agreement. Approval by the Secretary of State was subsequently granted on the 14th of May, 2015.

The Building Safety Bill is intended to introduce major reforms of the safety regime in the wake of the Hackitt Review into the causes of the Grenfell tragedy.

Following on from the recommendations of Dame Judith Hackitt in her Independent Review of Building Regulations & Fire Safety, the draft bill will introduce more stringent rules for all residential buildings that are either 18m or more in height or more than six storeys tall. The draft Bill will ensure that there will always be someone responsible for keeping residents safe in high rise buildings – those 18 metres and above. It is also designed to push landlords to listen and respond to residents' concerns and ensure their voices are heard – they will be called the 'Accountable Person'.

Residents and leaseholders will also have access to vital safety information about their building and new complaints handling requirements will be introduced to make sure effective action is taken where concerns are raised.

We will continue to regularly review our health and safety compliance quarterly by both Committees of the Board and will report our progress in preparation for this Bill on the road to it becoming an Act

The Housing White Paper - The Charter for Social Housing Residents, published in November 2020 introduces a range of new measures in respect of Health & Safety and quality of homes, landlord performance, complaints handling, pro-active regulation, tenant involvement and first steps to home ownership/housing supply. It sets out seven clear aims for tenants

- To be safe in their home. Ensure that landlords' homes are safe and secure.
- Tenants to know how their landlord is performing, including on repairs, complaints and safety, and how it spends its money, so they can hold it to account.
- To have complaints dealt with promptly and fairly, with access to a strong ombudsman to get swift and fair redress when needed.
- To be treated with respect, backed by a strong consumer regulator and improved consumer standards for tenants.
- To have tenants voices heard by their landlord, for example through regular meetings, scrutiny panels or being on its Board
- To have a good quality home and neighbourhood to live in, with the landlord keeping homes in good repair.
- To be supported to take a first step to ownership, so it is a ladder to other opportunities, should circumstances allow-

Prior to the White Paper being published we:

- Commenced a full stock condition survey and implementation of a range of safety works to proactively address anticipated requirements of the Building Safety Bill and the Hackett Review (Building a Safer Future).
- Developed a Homes First Performance Management Framework and strengthened data gathering and reporting.
- Established the Customer Experience Team, whose core remit draws together many of the key aspects of The Charter (Performance Management and Reporting, Complaints, Pro-active Consumer Regulation, Tenant Involvement).

Since November, in accordance with the White paper we:

- Undertook and published a self-assessment tool demonstrating our compliance with the Housing Ombudsman Complaints Handling Code.
- Responded to the Government's consultation on mandating smoke and carbon monoxide alarms in social housing.

Review of progress on the road to this becoming an Act will be on-going, with the aim to have a local version of the Charter developed

Going Concern

The Board's decision for "the subsidiary", South East Independent Living Ltd (SEIL) to not bid for the new contract implies the company will not be in operational existence for the foreseeable future. Therefore, the company's accounts have been prepared on a basis other than going concern as the

company will cease to be in operation from 1st December 2021 which has been consolidated in the group account.

While the position of the parent company is different, EHL has an agreed income stream in the form of its management fee from EBC. The organisation is set up to manage the Council's social housing function and there is no reason to suspect this will change as the management fee for the next 12 months. Also, the continued support of EBC have been confirmed in writing. Accordingly, the Directors have reassessed the going concern assumption and confirm that it remains.

On this basis, the Board is satisfied following their review of financial forecasts which include consideration of Covid 19, that the Company has adequate resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of approval of the financial statements and that there are no material uncertainties regarding the Company's ability to continue as a going concern notwithstanding the developments reported with respect to SEIL.

For this reason, the going concern basis has been adopted in preparing the group financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Auditor

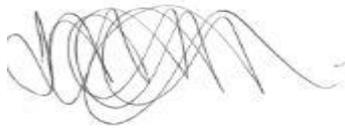
In accordance with the Company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor for the group will be put at the Annual General Meeting.

Statement of Disclosure to Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors 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 Company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the Board



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J K R McCarthy-Penman

Company Secretary

Directors' Responsibilities Statement

For the Year Ended 31st March 2021

The Directors are responsible for preparing 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 in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and Company, and of the profit or loss of the group for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time, the financial position of the group and 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 group and 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 website, which is shared with Eastbourne Borough Council and Lewes District Council. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTBOURNE HOMES LIMITED

Opinion

We have audited the financial statements of Eastbourne Homes Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity and notes to the financial statements, including significant accounting policies. 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 group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent 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 group's or the parent 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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 group's and the parent 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities.

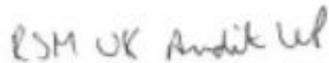
The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Health and Safety at Work Act 1974, the Data Protection Act 2018 and the Housing Act. We performed audit procedures to inquire of management the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities where available.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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.



DOMINIC BLYTHE (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Portland, 25 High Street

Crawley

West Sussex

RH10 1BG

Date: 20 September 2021

Consolidated Statement of Comprehensive Income for the year ended 31st March 2021

	Notes	2021 £	2020 £
Turnover	3	8,870,589	6,704,997
Other operating expenses	4	(7,779,893)	(8,085,544)
Operating Profit/(loss)		1,090,696	(1,380,543)
Interest receivable and similar income	8	2,230	20,672
Interest payable and similar charges	9	-	(5,000)
Profit/(Loss)before taxation		1,092,926	(1,364,871)
Taxation	10	(25,484)	(5,158)
Profit/(Loss) for the financial year		1,067,442	(1,370,029)
Other comprehensive income net of taxation			
Actuarial gain/(loss) on defined benefit pension schemes	16	(78,000)	267,000
Total comprehensive Income/(loss) for the year		989,442	(1,103,029)

Total comprehensive income for the year is all attributable to the member of the parent company.

Consolidated Statement of Financial Position**As at 31st March 2021**

	Notes	2021 £	2020 £
Current assets			
Debtors	13	2,937,448	3,242,455
Cash at bank and in hand		1,612,821	3,757,532
		4,550,269	6,999,987
Creditors: falling due within one year	14	(3,113,426)	(6,652,586)
		1,436,843	347,401
Net current assets			
		1,436,843	347,401
Total assets less current liabilities			
	9	1,436,843	347,401
Net assets excluding pension liability			
		1,436,843	347,401
Defined benefit pension asset/(liability)	16	(46,000)	54,000
		1,390,843	401,401
Net assets		1,390,843	401,401
Capital and reserves			
Profit and loss reserves	17	1,390,843	401,401

The financial statements were approved by the Board of Directors and authorised for issue on 20th September 2021 and are signed on its behalf by:

... 

R C Eastwood
Director



P L Pearce
Director

Company Statement of Financial Position

As at 31st March 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	11	1	1
		1	1
Current assets			
Debtors	13	2,935,865	3,188,182
Cash at bank and in hand		1,132,270	3,435,638
		4,068,135	6,623,820
Creditors: falling due within one year	14	(2,974,987)	(6,530,092)
		1,093,148	93,728
Net current assets		1,093,148	93,728
Total assets less current liabilities		1,093,149	93,729
Net assets		1,093,149	93,729
Capital and reserves			
Profit and loss reserves	17	1,093,149	93,729

The company's profit for the year and total comprehensive income for the year were £999,420 (2020: loss £1,388,033).

The financial statements were approved by the Board of Directors and authorised for issue on 20th September 2021 and are signed on its behalf by:



.....
R C Eastwood

Consolidated Statement of Changes in Equity
For the Year Ended 31st March 2021

	Notes	Profit and loss reserves £
Balance at 1 April 2019		1,504,434
<hr/>		
Year ended 31 March 2020:		
Loss for the year		(1,370,033)
Other comprehensive income:		
Actuarial gains on defined benefit plans	16	<u>267,000</u>
Total comprehensive income for the year		(1,103,033)
<hr/>		
Balance at 31 March 2020		401,401
<hr/>		
Year ended 31 March 2021:		
Profit for the year		1,067,442
Other comprehensive income:		
Actuarial gain on defined benefit plans	16	<u>(78,000)</u>
Total comprehensive income for the year		989,442
<hr/>		
Balance at 31 March 2021		<u><u>1,390,843</u></u>

Company Statement of Changes in Equity

For the Year Ended 31st March 2021

	Profit and loss reserves
	£
Balance at 1 April 2019	1,481,763
<hr/>	
Year ended 31 March 2020:	
Loss for the year	(1,388,033)
Other comprehensive income:	
Actuarial gains on defined benefit plans	
Total comprehensive income for the year	(1,388,033)
<hr/>	
Balance at 31 March 2020	93,730
<hr/>	
Year ended 31 March 2021	
Profit for the year	999,419
<hr/>	
Balance at 31 March 2021	<u><u>1,093,149</u></u>

Notes to the Financial Statements

For the Year Ended 31st March 2021

1. Accounting Policies

Company Information

Eastbourne Homes Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Town Hall, Grove Road, Eastbourne, East Sussex, BN21 4UG.

The group consists of Eastbourne Homes Limited and its only subsidiary, South East Independent Living Limited.

The nature of the company's and the group's operations are the management, maintenance and improvement of the housing stock on behalf of Eastbourne Borough Council and also the provision of short term housing support for people over 65.

Going concern

EHL has an agreed income stream in the form of its management fee from EBC. The organisation is set up to manage the Council's social housing function and there is no reason to suspect this will change as the management fee for the next 12 months as well as the continued support of EBC have been confirmed in writing.

The Directors therefore have no reason to believe that the company will not be able to meet its liabilities for the 12 months from the approval of the financial statements and have prepared the accounts on the going concern basis contrary to South East Independent Living Ltd which has been prepared on break up basis as the subsidiary will cease to be in operation from 1st December 2021 as a result of the decision not to retender for the STEPs contract.

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") and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies' regime. The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view. The financial statements have been prepared under the historical cost convention. The principle accounting policies are set out below.

The consolidated financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £, unless otherwise stated.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' - Carrying amounts for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

Company Statement of Comprehensive Income

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's profit and total comprehensive income for the year was £999,420 (2020: profit £1,388,033).

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

1. Accounting Policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Eastbourne Homes Limited and its subsidiary (i.e. the entity that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31st March 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by other members of the Group.

Turnover

Turnover is recognised upon performance of services and on despatch of goods. Turnover represents the value (excluding VAT) of goods and services supplied and delivered which amounts to £8.9M (2019: £6.7m) excluding capital works recharged to EBC at cost.

Fixed Asset Investments

In the separate accounts of the company interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and at bank.

Financial Assets

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group 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.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

1. Accounting Policies (Continued)

Basic Financial Assets

Basic financial assets, which include trade and other debtors, amounts due from group 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Loans and Receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial assets 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.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

1. Accounting Policies (Continued)

Basic Financial Liabilities

Basic financial liabilities, including trade, other payables, amounts due to group undertakings and accruals, 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.

Derecognition of Financial Liabilities

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

1. Accounting Policies (Continued)

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement Benefits

The subsidiary participates in the Local Government Pension Scheme (LGPS), a defined benefit pension scheme administered by East Sussex County Council (ESCC). The assets of the scheme are invested and managed independently of the finances of the Group. Contributions are based on pension costs of the Group's unithised fund. Costs include the regular cost of providing benefits, which it is intended should remain at a substantial level of current and expected future earnings of the employees covered.

Plan asset is recognised to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The company expects a refund from the plan.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

Gains/Losses

Gains or losses recognised in the profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by
- Net interest on the defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligation.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

2. Judgements and Key Sources of Estimation Uncertainty

In the application of the Group'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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Management fees	8,008,024	5,851,285
Other income (Supporting People and other minor contracts)	862,565	853,712
	8,870,589	6,704,997
 Turnover analysed by geographical market		
	2021 £	2020 £
United Kingdom	8,870,589	6,704,997

Under the Management agreement, Eastbourne Borough Council pays a management fee in consideration for the delivery and performance of services. In 2020/21, Turnover is back to the pre-2019/20 level which is always subject to authorised variation by Eastbourne Borough Council.

In comparison to 2019/20 where there was a reduction in the management fee as a result of accumulation of prior year's profit, majority of which arose in 2017/18 when staff were transferred to the Council under TUPE arrangements.

The 2017/18 accounts were adjusted for the transfer of the balance sheet pension liability with a credit to the Consolidated Statement of Comprehensive Income. The additional management charge in accordance with the Reserves Policy approved in December 2020 after consideration for adoption in March 2020 has been adjusted for in the management fee resulting in lower turnover in 2019/20.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2021**4 Other operating expenses**

	2021	2020
	£	£
Housing management services	4,409,752	3,926,475
Property repairs	3,370,141	4,159,069
	<u>7,779,893</u>	<u>8,085,544</u>

5 Auditors' remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the parent and consolidated accounts	58,337	23,625
Audit of the associates of the company	4,517	2,415
	<u>62,854</u>	<u>26,040</u>
For other services		
Taxation compliance services	<u>5,179</u>	<u>6,650</u>

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

6 Employees

The average monthly number of persons (including directors) employed by the group during the year is set out below. Note that EHL does not have staff of her own.

	2021	2020
	Number	Number
Floating support, STEPS to stay independent	30	31
	30	31

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	574,388	642,819
Social security costs	46,282	47,926
Pension costs	62,524	79,736
	683,194	770,481

Following the transfer of staff in 2017/18 to Eastbourne Borough Council, EHL has not employed any staff this is left to Eastbourne Borough Council who contractually employs the staff. As such, part of the management charge from the council includes some of the cost of the employees recharged to Eastbourne Homes Limited while the rest are paid by Eastbourne Borough Council.

7 Directors' remuneration

The Chairman received remuneration of £3,510 (2020:£3,510), no other director received any remuneration from the Group during the year. Expenses paid in the year totalled £604 (2020: £1,019).

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2021

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	2,230	20,672
	<u>2,230</u>	<u>20,672</u>

9 Interest payable and similar charges

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Net interest on the net defined benefit pension liability	-	5,000
	<u>-</u>	<u>5,000</u>

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	17,380	-
Adjustments in respect of prior periods	8,104	5,158
	<u>25,484</u>	<u>5,158</u>
Total current tax		

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

11 Fixed asset investments

	Notes	Company 2021 £	Company 2020 £
Investments in subsidiaries		1	1

Movements in fixed asset investments Company

	Shares £
Cost	
At 1 April 2020 and 31 March 2021	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

12 Subsidiary

Details of the company's subsidiary at 31 March 2021 is as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held direct
South East Independent Living Limited, registered office, Town Hall, Grove Road, Eastbourne, East Sussex, BN21 4UG, England	Care provider	Ordinary	100

Notes to the Financial Statements (continued)

For the Year Ended 31st March 2021

The cost of the investment in the subsidiary undertaking represents £1 share capital.

13 Debtors

	Group		Company	
	2021	2020	2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	947	80,942	947	29,549
Amount due from group undertakings	368,538	885,763	368,539	885,763
Capital recharges due from parent undertaking	2,102,063	1,797,997	2,102,063	1,797,997
Other debtors	430,125	424,270	430,125	421,390
Prepayments and accrued income	35,775	53,483	34,191	53,483
	<u>2,937,448</u>	<u>3,242,455</u>	<u>2,935,865</u>	<u>3,188,182</u>

14 Creditors: falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	801,812	342	798,709	-
Amounts due to parent undertaking	391,280	2,424,944	391,280	2,424,944
Other taxation and social security costs	39,168	49,175	59	-
Corporation Tax	17,380	-	-	-
Other creditors	3,299	38,500	-	-
Accruals and deferred income	1,860,487	4,139,625	1,784,939	4,105,148
	<u>3,113,426</u>	<u>6,652,586</u>	<u>2,974,987</u>	<u>6,530,092</u>

Included within other creditors for the group is £2,979 (2020: £2,963) a balance in relation to amounts unpaid to pension schemes as at the year end. The company's balance in relation to the above is £nil (2020: £nil).

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

15 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>2,477,583</u>	<u>3,214,083</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>3,056,878</u>	<u>6,603,410</u>

16 Retirement benefit schemes East Sussex Pension Fund (ESPF)

The ESPF is a multi-employer scheme, administered by ESCC under the regulations governing the LGPS, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2019 by a qualified independent Actuary.

The group employers' contributions to the ESPF, for the year ended 31 March 2021, amounted to £28,000 (2021: £32,000). The expected contribution for 2021/22 is £29,000

Defined benefit schemes

Key assumptions

	2021 %	2020 %
Discount rate	2.00%	2.30%
Expected rate of increase of pensions in payment	2.85%	1.80%
Expected rate of salary increases	<u>2.85%</u>	<u>1.80%</u>

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	21.1	21.6
- Females	<u>23.7</u>	<u>23.9</u>
Retiring in 20 years		
- Males	21.9	22.5
- Females	<u>25.9</u>	<u>25.3</u>

**Notes to the Financial Statements (continued)
For the Year Ended 31st March 2021**

16 Retirement benefit schemes (Continued)

Amounts recognised in the income statement:

	2021	2020
	£	£
Current service cost	51,000	68,000
Net interest on defined benefit liability	(2,000)	5,000
Administrative expenses	1,000	-
	<u>50,000</u>	<u>73,000</u>

Amounts taken to other comprehensive income:

	2021	2020
	£	£
Actual return on scheme assets	201,000	(143,000)
Less: calculated interest element	22,000	(25,000)
Administrative expenses	1,000	-
Return on scheme assets excluding interest income	178,000	(168,000)
Actuarial changes related to obligations	(256,000)	435,000
	<u>(78,000)</u>	<u>267,000</u>

The amounts included in the statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	Group	
	2021	2020
	£	£
Present value of defined benefit obligations	1,193,000	874,000
Fair value of plan assets	(1,147,000)	(928,000)
	<u>46,000</u>	<u>(54,000)</u>

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

16 Movements in the present value of defined benefit obligations:

	Group 2021 £	Group 2020 £
Liabilities at 1 April 2020	874,000	1,215,000
Current service cost	51,000	68,000
Benefits paid	9,000	8,000
Contributions from scheme members	(17,000)	(12,000)
Actuarial gains and losses	256,000	(435,000)
Interest cost	20,000	30,000
At 31 March 2021	<u>1,193,000</u>	<u>874,000</u>

The defined benefit obligations arise from plans funded as follows:

	Group 2021 £	Group 2020 £
Wholly or partly funded obligations	<u>1,193,000</u>	<u>874,000</u>

Movements in the fair value of plan assets:

	Group 2021 £	Group 2020 £
Fair value of assets at 1 April 2020	928,000	1,043,000
Interest income	22,000	25,000
Return on plan assets (excluding amounts included in net interest)	178,000	32,000
Benefits paid	(17,000)	8,000
Administrative expenses	(1,000)	-
Contributions by the employer	28,000	(12,000)
Contributions by scheme members	9,000	(168,000)
At 31 March 2021	<u>1,147,000</u>	<u>928,000</u>

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

16 Retirement benefit schemes (Continued)

The analysis of the scheme assets at the reporting date were as follows:

	Group	
	2021	2020
	£	£
Equity instruments	869,000	817,400
Property	86,000	85,200
Bonds	172,000	8,200
Cash	20,000	17,200
	1,147,000	928,000

17 Reserves

Profit and loss reserves

The profit and loss reserve represents cumulative profit and loss net of distributions to owners.

18 Related party transactions

Remuneration of key management personnel includes Directors. Other key management personnel are employed by the parent undertaking and recharged to the company.

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	3,510	3,510

Also, the Chair of the Board, Roger Eastwood also serves as Chair member of the National Federation of ALMOs of which Eastbourne Homes Ltd company is a member.

Eastbourne Homes Limited is a company limited by guarantee from Eastbourne Borough Council. Eastbourne Borough Council paid the company a fee in accordance with an agreement to manage and maintain Eastbourne Borough Council's housing stock, including capital works. The company is exempt from disclosing related party transactions that are wholly within the Group.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2021

As a subsidiary of the parent, the company had related party transactions with other subsidiaries of the parent with transactions and balances at the end of the year as follows:

Aspiration Homes LLP with transactions amounting to £45,450 carried out in the year with £50,989 owed at the end. Similarly, Eastbourne Housing Investment Company Limited trading with EHL for the year amounts to £84,868 with total due to EHL at the end of the year being £316,912.

19 Tenant board members

It is intended that a third of the Board of Directors are residents in properties maintained by Eastbourne Homes Limited and owned by Eastbourne Borough Council. These residents have a standard tenancy or lease agreement and fulfil the same obligations and receive the same service as all other residents of Eastbourne Borough Council. As at 31 March 2021, there are 2 (2020: 3) tenants on the Board of Directors.

20. Parent Company

Eastbourne Borough Council is the ultimate parent undertaking and controlling party and it is the largest group for which consolidated accounts including Eastbourne Homes Ltd are prepared. Eastbourne Borough Council's principal place of business is Town Hall, Grove Road, Eastbourne, BN21 4UG.