

Accompanying Glossary for the Annual Report & Financial Statements 2021/22

This glossary is to provide helpful definitions for specific words, phrases and acronyms.

Absolute = a whole number rather than a percentage

Actuarial = an actuary (a third party organisation) assesses the assets and liabilities of the Local Government Scheme and the Social Housing Pension Scheme. Any changes in the financial year are entered into the Financial Statements

Code of Governance = the National Housing Federation's Code of Governance 2020, which sets out the governance standards that the Saffron Group is required to comply with

EBITDAMRI = Earnings Before Interest Tax Depreciation Amortisation Major Repairs Included = a measure of a company's overall financial performance and its ability to pay interest payments that fall due in the year

FRC = The Financial Reporting Council

FRS = Financing Reporting Standard

Gearing covenant = is the amount of debt as a % of the historical cost of our housing assets we are allowed to have to not breach the terms of our financing facilities

Gearing ratio = total amount of debt as a percentage of the historical cost of property assets (i.e. the amount we bought the asset for)

GN & HfOP = General Needs & Homes for Older Persons

Golden Rules = are the financial rules that have been agreed by the Board of Saffron which we must not break

Housing Ombudsman = looks at complaints about registered providers of social housing, for example housing associations, and other landlords, managers, and agents. The service is free, independent, and impartial

ISA = International Standards on Auditing

LAD2 funding = Local Authority Delivery scheme

Land-led = where Saffron identifies a piece of land and works in partnership with others to bring a new scheme forward

Moody's Rating = credit rating agency

NHF = National Housing Federation

Photovoltaic = conversion of light into electricity

Revolving Credit Facility = a type of credit that enables Saffron to withdraw money, use it to fund our business, repay it and withdraw it again when needed

RoSPA = Royal Society for the Prevention of Accidents

Saffron's banking covenants = we have different covenants between the banks we use, one of which is more restrictive than the other due to the % and how it is calculated

ROCE = Return on Capital Employed (financial ratio used to assess Saffron's profitability and capital efficiency)

RSH = Regulator of Social Housing

Saffron's Liquidity Policy = the ability of Saffron to have sufficient cash/funding available to ensure the Trust can meet efficiently both expected and unexpected current future cash flow requirements

SHL = Social Housing Lettings

SORP = Statement of Recommended Practices

Stress testing = analytical technique to show how Saffron's finances will be affected by certain financial events or situations

Treasury Management Policy = Treasury Management is defined as "the management of the organisation's cashflows, its banking, money market and capital markets transactions: the effective control of risks associated with those activities, and the pursuit of optimum performance consistent with those risks

