

**WOODVALE & SHANKILL COMMUNITY HOUSING
ASSOCIATION LIMITED**

**REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2023

Woodvale & Shankill Community Housing Association Limited

Annual Report and Financial Statements for the year ended 31 March 2023

<u>Contents</u>	<u>Pages</u>
Association Information	1
Report of the Board	2 – 3
Report of the Auditors	4 – 6
Consolidated Statement of Comprehensive Income	7
Association Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Association Statement of Financial Position	10
Consolidated Cashflow Statement	11
Notes to the Financial Statements	12 - 26

Woodvale & Shankill Community Housing Association Limited

Association Information

Board

Mr T Fuller (Chairperson)
Mr F Agnew
Mrs S Chambers
Mr I McLaughlin
Mr R Robinson
Mrs G Hughes

Secretary

Mrs S Chambers

Registered Office

91-95 Woodvale Road
Belfast
BT13 3BP

Registered under the Industrial and Provident Societies
Act (Northern Ireland) 1969 IP 167

Registered with the DSD (NI) R15

Registered with the Charity Commission for Northern Ireland
NIC 100843

HMRC charity registration XN45225

Auditors

MTS Chartered Accountants
1 Lanyon Quay
Belfast
BT1 3LG

Principal Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Solicitors

Clyde & Co
51 Adelaide Street
Belfast
BT2 8FE

Woodvale & Shankill Community Housing Association Limited

Report of the Board for the year ended 31 March 2023

The Board presents its report together with the financial statements for the year ended 31 March 2023.

Principal Activities

The Group provides social housing accommodation for those in need, affordable housing and energy supplies.

Results

The surplus on ordinary activities for the year was £647,383 compared with a surplus of £639,137 for the previous year.

Corporate Governance

In the opinion of the Board, the Association is in compliance with the Best Practice issued by the NHF Code of Governance.

Board of Management

The Board meets throughout the year and has committees with specific responsibilities for housing, finance and audit.

Going Concern

After making enquiries, the Board has a reasonable expectation that the Association had adequate resources to continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

Internal Financial Control

The Board is responsible for the Association's systems of internal financial control and along with senior management is responsible for establishing and operating detailed control and report procedures. The systems of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement and loss.

The Board has reviewed the effectiveness of the Association's system of internal financial control. The review included consideration of the business risks facing the Association and of the existing internal financial control procedures. The key elements of the control system in operation are:

- The Board has adopted a formal schedule of matters reserved for its approval ensuring it maintains responsibility for overall strategy, approval of all property transactions and other major capital expenditure projects.
- There is an organisation structure with clearly defined lines of responsibility and delegation of authority.
- Detailed budgets are prepared covering the Association's businesses which are reviewed and approved by the Board. Actual results are compared against budget and appropriate action identified and initiated.
- The Board reviews matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from senior management.
- The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing, has been in place for the year under review and up to the date of approval of the annual report and accounts, and is regularly reviewed by the Board.

Woodvale & Shankill Community Housing Association Limited

Report of the Board for the year ended 31 March 2023 *(continued)*

Board's responsibilities

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

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

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the members of the Board is aware:

- there is no relevant information of which the Association's auditors are unaware
- they have taken all reasonable steps that they ought to have taken, as members of the Board, in order to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Auditors

A resolution to reappoint MTS Chartered Accountants will be proposed at the Annual General Meeting.

By order of the board



Chairperson

Belfast

Date: 28 - 6 - 2023

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2023

We have audited the financial statements of Woodvale & Shankill Community Housing Association Ltd for the year ended 31 March 2023 which comprise the consolidated and association statement of comprehensive income, the consolidated and association statement of changes in reserves, the consolidated and association statement of financial position, the consolidated statement of cashflows and the related notes, which include a description of the significant accounting policies.

In our opinion, the group and association financial statements:

- give a true and fair view of the state of the group and association's affairs as at 31 March 2023 and of the group and association's surplus, and of the group's cashflows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law)";
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Management's 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 and Association's ability to continue as a going concern for a period of at least twelve months from the date 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 accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2023 (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Under the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Report of the Board of Management and the Strategic Report is inconsistent in any material respect

We have nothing to report in this regard.

Responsibilities of board

As explained more fully in the board's responsibilities statement, the board members (who are also the trustees of the association for the purposes of charity law) 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 board 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 board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We gained an understanding of the legal and the regulatory framework applicable to the group and the industry in which it operates and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law)".

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2023 (continued)

We focused on laws and regulations that could give rise to material misstatement in the financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.


There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transaction reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the accounts 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 this report

This report is made solely to the association's board, as a body, in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. Our audit work has been undertaken so that we might state to the association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Mr Richard McClay FCA
Senior Statutory Auditor
For and on behalf of:
MTS Chartered Accountants

1 Lanyon Quay
Belfast
BT1 3LG

Date: 28/6/2023

Woodvale & Shankill Community Housing Association Limited

Consolidated Statement of Comprehensive Income Year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	1.2	2,445,832	2,308,480
Operating costs	2	(1,774,032)	(1,622,624)
Operating Surplus	5	<u>671,800</u>	<u>685,856</u>
Interest receivable	3	2,727	2,489
Interest and finance costs	4	(4,350)	(8,208)
Additional pension service cost	15	(13,000)	(31,000)
Other finance income/(costs)	15	(10,000)	(10,000)
Surplus on Ordinary Activities		<u>647,177</u>	<u>639,137</u>
Re-measurement:			
Actuarial (loss)/gain on pension scheme	15	444,000	152,000
Surplus for the Financial Year	18	<u>1,091,177</u>	<u>791,137</u>

The turnover and expenses all relate to continuing operations of the Group.

Consolidated Statement of Changes in Reserves Year ended 31 March 2023

	Notes	2023 £	2022 £
Surplus for the year		1,091,177	791,137
Movement in share capital		-	-
Movement in capital reserves		-	-
Net addition to capital and reserves		<u>1,091,177</u>	<u>791,137</u>
Opening total capital and reserves		16,751,464	15,960,327
Closing total capital and reserves		<u>17,842,641</u>	<u>16,751,464</u>

Woodvale & Shankill Community Housing Association Limited

Association Statement of Comprehensive Income Year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	1.2	2,245,222	2,235,191
Operating costs	2	(1,649,258)	(1,532,323)
Operating Surplus	5	595,964	702,868
Interest receivable	3	5,727	5,783
Interest and finance costs	4	(4,350)	(8,208)
Additional pension service cost	15	(13,000)	(31,000)
Other finance income (costs)	15	(10,000)	(10,000)
Surplus on Ordinary Activities		574,341	659,443
Actuarial (loss)/gain on pension scheme	15	444,000	152,000
Surplus for the Financial Year	18	1,018,341	811,443

The turnover and expenses all relate to continuing operations of the Association.

Association Statement of Changes in Reserves Year ended 31 March 2023


	Notes	2023 £	2022 £
Surplus for the year		1,018,341	811,443
Movement in share capital		-	-
Movement in capital reserves		-	-
Net addition to capital and reserves		1,018,341	811,443
Opening total capital and reserves		17,020,422	16,208,979
Closing total capital and reserves		18,038,763	17,020,422

Woodvale & Shankill Community Housing Association Limited

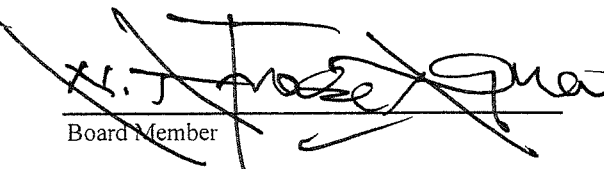
**Consolidated Statement of Financial Position
As at 31 March 2023**

	Notes	2023 £	2022 £
Tangible Fixed Assets			
Housing land and buildings:	8	29,702,766	29,702,418
Other fixed assets	9	900,196	934,641
		<u>30,602,962</u>	<u>30,637,059</u>
Current Assets			
Trade and other debtors	11	388,017	324,526
Cash and cash equivalents		1,318,778	1,128,576
		<u>1,706,795</u>	<u>1,453,102</u>
Creditors: Amounts Falling Due Within One Year	12	<u>(497,564)</u>	<u>(520,012)</u>
Net Current Assets		<u>1,209,231</u>	<u>933,090</u>
Total Assets Less Current Liabilities		<u>31,812,193</u>	<u>31,570,149</u>
Creditors: Amounts Falling Due After More Than One Year			
Creditors	12	13,969,552	14,397,685
Provision for liabilities	15	-	421,000
		<u>13,969,552</u>	<u>14,818,685</u>
Total Net Assets		<u>17,842,641</u>	<u>16,751,464</u>
Capital and Reserves			
Share capital	16	49	49
Capital reserves	17	14	14
Revenue reserves	18	17,842,578	16,751,401
Total Reserves		<u>17,842,641</u>	<u>16,751,464</u>

The financial statements on pages 6 to 25 were approved by the Board and are signed on their behalf by:

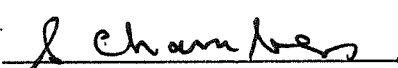


Chair



Board Member

Date: 28-6-2023




Secretary

Woodvale & Shankill Community Housing Association Limited

**Association Statement of Financial Position
As at 31 March 2023**

	Notes	2023 £	2022 £
Tangible Fixed Assets			
Housing land and buildings:	8	27,220,188	27,592,361
Other fixed assets	9	856,365	885,310
Investments	10	2,939,434	2,477,198
		<u>31,015,987</u>	<u>30,954,869</u>
Current Assets			
Trade and other debtors	11	211,831	260,365
Cash and cash equivalents		1,226,620	1,080,804
		<u>1,438,451</u>	<u>1,341,169</u>
Creditors: Amounts Falling Due Within One Year	12	(476,611)	(498,062)
Net Current Assets		<u>961,840</u>	<u>843,107</u>
Total Assets Less Current Liabilities		<u>31,977,827</u>	<u>31,797,976</u>
Creditors: Amounts Falling Due After More Than One Year			
Creditors	12	13,939,064	14,356,554
Provision for liabilities	15	-	421,000
		<u>13,939,064</u>	<u>14,777,554</u>
Total Net Assets		<u>18,038,763</u>	<u>17,020,422</u>
Capital and Reserves			
Share capital	16	49	49
Capital reserves	17	14	14
Revenue reserves	18	18,038,700	17,020,359
Total Reserves		<u>18,038,763</u>	<u>17,020,422</u>

The financial statements on pages 6 to 25 were approved by the Board and are signed on their behalf by:

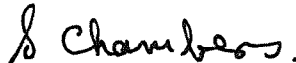


Chair



Board Member

Date: 28-06-2023



Secretary

Woodvale & Shankill Community Housing Association Limited

Consolidated Statement of Cashflows Year ended 31 March 2023

		2023	2022
	Notes	£	£
Net cash generated from operating activities	22	845,527	974,969
Cashflow from financing activities	22	1,377	(5,719)
Cashflow from investing activities	22	(610,237)	(688,288)
		<hr/>	<hr/>
		236,667	280,962
Financing		(46,465)	(49,604)
		<hr/>	<hr/>
Decrease in cash and cash equivalents		190,202	231,358
Cashflow from (increase) decrease in debt		46,465	49,604
Cash and cash equivalents at start of year		1,028,803	747,841
		<hr/>	<hr/>
Cash and cash equivalents at end of year		1,265,470	1,028,803
		<hr/> <hr/>	<hr/> <hr/>

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared on the historical cost basis and in compliance with FRS 102, The Financial Reporting Standard applicable in the UK and the Housing SORP 2014: Statement of Recommended Practice for Social Housing Providers.

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

The Association is a company limited by shares incorporated in Northern Ireland. The registered office is situated at 91-95 Woodvale Road, Belfast, BT13 3BP.

1.2 Turnover

Turnover represents rental income, heating charges, heating incentive income, service charges receivable net of voids and the release of capital grants, and is recognised in the period to which it relates.

1.3 Other Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets at the following annual rates:

Furniture and equipment	: 10% - 33 1/3%
Plant & equipment	: 20%

1.4 Housing Properties

Housing properties are stated at cost less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. All development costs directly attributable to bringing properties into management are identified and capitalised to schemes in construction during the year, this includes capitalising interest payments.

Expenditure on improvements to existing properties, which enhances the economic benefits of the property or extends its useful life, is capitalised as part of the cost of the property. Other maintenance expenditure is written off to the Income and Expenditure Account as it is incurred.

Depreciation is charged on a straight-line basis over varying timescales, depending on the estimated useful life of the individual components. The major components and their estimated useful lives are listed below.

Land	Not depreciated
Structure (including roof)	100 years
Kitchen	20 years
Bathroom	25 years
Heating boiler	10 years
Heating system	30 years
Windows and doors	35 years
Electrics	35 years

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down charged to operating surplus.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting Policies *(continued)*

1.5 Housing Association Grant

Grant received for property has been included under long term liabilities and is amortised over the estimated useful life of the component to which it relates on the same basis as the depreciation charge listed above. Such grants may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

1.6 Investments

Investments in subsidiary companies are recorded at cost.

1.7 Retirement Benefits

The Association participates in the NILGOSC defined benefit pension scheme. The underlying assets and liabilities of the scheme attributable to Woodvale & Shankill Community Housing are held separately from those of the Association. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value. Assets are measured at market value at the balance sheet date. As a result the Association either recognises the scheme deficit on the balance sheet at the year end, or in the case of an asset position, does not recognise this on the balance sheet, on the grounds of prudence. Actuarial gains and losses are included in the statement of comprehensive income. Current and past service costs, curtailments and settlements are recognised within operating surplus. Returns on scheme assets and interest on obligations are recognised as other finance costs.

1.8 Disposal Proceeds Fund

Surpluses from disposal of housing properties, including the Voluntary Purchase Grant, are transferred to the Disposal Proceeds Fund. The association is required to apply these surpluses within a specified period to housing projects as Recycled Housing Association Grant.

1.9 Tenants' Services Fund

For certain schemes the Association is required to charge the tenants for additional services provided, over and above those of the normal management and maintenance services. The Association levies an additional charge to the tenants for this. Annual deficits are absorbed into operating surplus.

1.10 Operating leases

Costs under operating leases are charged to the income and expenditure account in the period to which they relate. Outstanding commitments are disclosed in the notes to the financial statements.

1.11 Group Accounts

The financial statements present information about the association as an individual undertaking and about its group.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting Policies *(continued)*

1.12 Employee Benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Judgement and Key Sources of Estimation Uncertainty

In the application of the company'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.

1.14 Cash and Cash Equivalents

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

1.15 Financial Instruments

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with 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.

Basic financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting Policies (continued)

1.15 Financial Instruments (continued)

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 company 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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

	Group		Association	
	2023	2022	2023	2022
2 Operating Costs	£	£	£	£
Direct costs	1,166,102	1,098,331	1,116,955	1,048,976
Administrative expenses	607,930	524,293	532,303	483,347
	<u>1,774,032</u>	<u>1,622,624</u>	<u>1,649,258</u>	<u>1,532,323</u>
3 Interest Receivable				
Interest receivable	2,727	2,489	5,727	5,783
	<u>2,727</u>	<u>2,489</u>	<u>5,727</u>	<u>5,783</u>
4 Interest and Finance Costs				
Bank charges	1,311	946	1,311	946
Housing loans	3,039	7,262	3,039	7,262
	<u>4,350</u>	<u>8,208</u>	<u>4,350</u>	<u>8,208</u>
5 Surplus On Ordinary Activities Before Taxation				
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation	496,975	513,055	447,828	463,700
Grant released	(234,545)	(251,791)	(234,545)	(251,791)
Auditors' remuneration - audit work	9,000	9,000	9,000	9,000
	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
6 Taxation				
No provision for current or deferred taxation is necessary due to the charitable status of the Association.				
7 Employee Information	2023	2022	2023	2022
The average weekly number of persons employed during the year was:	No.	No.	No.	No.
Office	9	11	8	10
Support staff	10	11	10	11
Maintenance staff	12	12	2	1
	<u>31</u>	<u>34</u>	<u>20</u>	<u>22</u>
Staff costs	£	£	£	£
Salaries	745,285	706,177	433,630	435,304
Social security costs	58,389	53,431	34,457	35,885
Other pension costs	56,690	59,264	40,190	56,513
	<u>860,364</u>	<u>818,872</u>	<u>508,277</u>	<u>527,702</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

7 Employee Information *continued* - Management Team's Emoluments

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Management Services				
Equivalent aggregate emoluments (excluding VAT)	97,250	93,055	97,250	93,055
	=====	=====	=====	=====
Senior Staff				
Aggregate emoluments	109,066	106,206	109,066	106,206
Pension costs	-	-	-	-
	-----	-----	-----	-----
	109,066	106,206	109,066	106,206
	=====	=====	=====	=====
Banding				
£50,000 - £60,000	2	2	2	2
	=====	=====	=====	=====

Board Members' Emoluments

Board Members act in a voluntary capacity and none were in receipt of emoluments or expenses during the year.

8 Tangible Fixed Assets - Housing Land and Buildings

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Cost				
At 1 April	37,602,599	36,907,687	35,297,667	34,095,457
Additions	996,524	938,490	587,356	1,445,788
Disposals	(644,817)	(243,578)	(644,817)	(243,578)
	-----	-----	-----	-----
At 31 March	37,954,306	37,602,599	35,240,206	35,297,667
	-----	-----	-----	-----
Completed	32,146,593	32,146,593	28,992,597	28,992,597
	-----	-----	-----	-----
Work in progress	5,807,713	5,456,006	6,247,609	6,305,070
	=====	=====	=====	=====
Depreciation				
At 1 April	7,900,181	7,507,027	7,705,306	7,348,799
Charge for year	446,893	467,947	410,246	431,300
Disposals	(95,534)	(74,793)	(95,534)	(74,793)
	-----	-----	-----	-----
At 31 March	8,251,540	7,900,181	8,020,018	7,705,306
	-----	-----	-----	-----
Net Book Value				
At 31 March	29,702,766	29,702,418	27,220,188	27,592,361
	=====	=====	=====	=====

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

9 Other Tangible Fixed Assets - Group

	Tenants' furnishings/ equipment	Motor vehicles and plant	Office premises and equipment	Total
Cost	£	£	£	£
At 1 April 2022	186,328	136,091	978,352	1,300,771
Additions	7,256	7,000	1,381	15,637
Disposals	-	-	-	-
At 31 March 2023	<u>193,584</u>	<u>143,091</u>	<u>979,733</u>	<u>1,316,408</u>
Depreciation				
At 1 April 2022	78,829	83,460	203,841	366,130
Charge for year	20,625	12,800	16,657	50,082
Disposals	-	-	-	-
At 31 March 2023	<u>99,454</u>	<u>96,260</u>	<u>220,498</u>	<u>416,212</u>
Net Book Value				
At 31 March 2023	<u>94,130</u>	<u>46,831</u>	<u>759,235</u>	<u>900,196</u>
At 31 March 2022	<u>107,499</u>	<u>52,631</u>	<u>774,511</u>	<u>934,641</u>

Other Tangible Fixed Assets - Association

	Tenants' furnishings/ equipment	Motor vehicles and plant	Office premises and equipment	Total
Cost	£	£	£	£
At 1 April 2022	186,328	35,220	978,352	1,199,900
Additions	7,256	-	1,381	8,637
Disposals	-	-	-	-
At 31 March 2023	<u>193,584</u>	<u>35,220</u>	<u>979,733</u>	<u>1,208,537</u>
Depreciation				
At 1 April 2022	78,829	31,920	203,841	314,590
Charge for year	20,625	300	16,657	37,582
Disposals	-	-	-	-
At 31 March 2023	<u>99,454</u>	<u>32,220</u>	<u>220,498</u>	<u>352,172</u>
Net Book Value				
At 31 March 2023	<u>94,130</u>	<u>3,000</u>	<u>759,235</u>	<u>856,365</u>
At 31 March 2022	<u>107,499</u>	<u>3,300</u>	<u>774,511</u>	<u>885,310</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

10 Investments	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
At 1 April	-	-	2,477,198	2,719,902
Additions/(repayments)	-	-	462,236	(242,704)
At 31 March	-	-	2,939,434	2,477,198
The investments are analysed as further:				
Shares in subsidiaries	-	-	2,150,004	2,150,004
Loans to subsidiaries	-	-	789,430	327,194
	-	-	2,939,434	2,477,198

The shares represent the holding of 100% of the ordinary share capital of the following subsidiaries:

	Description of activities	Country of incorporation
WGS Property Enterprises Ltd	Contractor	Northern Ireland
WGS Green Energy Ltd	Energy provider	Northern Ireland
WGS Residential Ltd	Affordable housing	Northern Ireland
WGS New Developments Ltd	Contractor	Northern Ireland

All loans to subsidiaries are secured and carry an interest charge of base rate plus 1.65%. The Association also charges its subsidiaries for Association resources expended on subsidiary activity. All transactions are at arms length and comply with DfC guidance on group structures.

11 Trade and other debtors	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Arrears of rent - technical	33,366	40,224	33,366	40,224
Arrears of rent - non-technical	157,013	144,398	157,013	144,398
Provision for bad debts	(91,198)	(79,198)	(91,198)	(79,198)
	99,181	105,424	99,181	105,424
Prepayments and accrued income	241,560	96,774	65,374	50,995
Other debtors	47,276	122,328	47,276	103,946
	388,017	324,526	211,831	260,365

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

12 Creditors	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Amounts falling due within one year:				
Trade creditors and accruals	133,672	139,136	112,719	117,183
Rents received in advance	100,867	90,440	100,867	90,440
Other creditors	11,075	19,606	11,075	19,609
Deferred grant	234,000	235,000	234,000	235,000
Loans (see note 14)	17,950	35,830	17,950	35,830
	<u>497,564</u>	<u>520,012</u>	<u>476,611</u>	<u>498,062</u>
Amounts falling due after more than one year:				
Deferred grant (see note 13)	12,417,148	12,827,732	12,417,148	12,827,732
Disposal proceeds fund	1,517,046	1,506,010	1,517,046	1,506,010
Loans (see note 14)	35,358	63,943	4,870	22,812
	<u>13,969,552</u>	<u>14,397,685</u>	<u>13,939,064</u>	<u>14,356,554</u>
13 Deferred Grant				
Housing Association Grant				
At 1 April	18,943,015	19,114,139	18,943,015	19,114,139
Additions	15,831	-	15,831	-
Disposals	(269,859)	(171,124)	(269,859)	(171,124)
At 31 March	<u>18,688,987</u>	<u>18,943,015</u>	<u>18,688,987</u>	<u>18,943,015</u>
Amortisation				
At 1 April	5,880,283	5,683,433	5,880,283	5,683,433
Released in year	234,545	251,791	234,545	251,791
Disposals	(76,989)	(54,941)	(76,989)	(54,941)
At 31 March	<u>6,037,839</u>	<u>5,880,283</u>	<u>6,037,839</u>	<u>5,880,283</u>
Net Book Value				
At 31 March	<u>12,651,148</u>	<u>13,062,732</u>	<u>12,651,148</u>	<u>13,062,732</u>
To be released < 1 year	234,000	235,000	234,000	235,000
To be released > 1 year	12,417,148	12,827,732	12,417,148	12,827,732
	<u>12,651,148</u>	<u>13,062,732</u>	<u>12,651,148</u>	<u>13,062,732</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

14 Loans

Loans are secured on individual assets of the Association and are repayable in instalments as follows:

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
In one year or less	22,950	40,830	17,950	35,830
Between one and two years	9,870	22,942	4,870	17,942
Between two and five years	5,000	9,870	-	4,870
In five years or more	15,488	26,131	-	-
Housing loans	<u>53,308</u>	<u>99,773</u>	<u>22,820</u>	<u>58,642</u>

Bank debt is secured by way of mortgages upon the deeds of the related properties financed by loans and bear interest at fixed and variable rates.

15 Retirement Benefits - Group and Association

The Association's pension scheme forms part of the total fund administered by NILGOSC. WSCHA has contributed at a rate of 20% of pensionable salaries, and will remain at this rate until such time as the Association is advised otherwise. Members have paid contributions at varying rates up to 8.50%.

Formal valuations are carried out at regular intervals by independent professionally qualified actuaries. The last formal valuation was carried out as at 31 March 2020.

Assumptions	2023	2022
Rate of salary increase	4.20%	4.50%
Pension increases in payment	2.70%	3.00%
Discount rate	4.70%	2.70%
Pension accounts revaluation rate	2.70%	3.00%

Fair value of assets and obligations of scheme are:	2023	2022
	£	£
Equities	444,000	454,000
Bonds	410,000	422,000
Property	124,000	106,000
Cash	72,000	42,000
Other	60,000	33,000
Total market value of assets	<u>1,110,000</u>	<u>1,057,000</u>
Present value of scheme liabilities	<u>(1,073,000)</u>	<u>(1,478,000)</u>
Surplus/(deficit in scheme)	37,000	(421,000)
Asset not recognised	(37,000)	-
Net pension asset/(deficit)	<u>-</u>	<u>(421,000)</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

15 Retirement Benefits (continued)

Reconciliation of scheme assets and liabilities	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	1,057,000	(1,478,000)	(421,000)
Benefits paid	(46,000)	46,000	-
Service cost	-	(66,000)	(66,000)
Contributions from employer	53,000	-	53,000
Contributions from employees	9,000	(9,000)	-
Interest income/(expense)	29,000	(39,000)	(10,000)
Returns on assets (excluding interest income)	-	-	-
Actuarial (loss) or gain	8,000	473,000	481,000
	<u>1,110,000</u>	<u>(1,073,000)</u>	<u>37,000</u>

The following amounts have been recognised in the performance statements for the year.

	2023	2022
	£	£
Analysis of the amount charged to operating surplus		
Current service cost	13,000	31,000
Employer contributions	53,000	55,000
Total operating charge	<u>66,000</u>	<u>86,000</u>
Analysis of the amount shown as other finance costs		
Interest on pension assets	29,000	21,000
Return on pension assets	-	-
Interest on pension liabilities	(39,000)	(31,000)
Net return	<u>(10,000)</u>	<u>(10,000)</u>
Amount recognised in the statement of comprehensive income (SoCI)		
Actuarial (loss)/gain in SoCI	<u>481,000</u>	<u>152,000</u>
Return on plan assets		
Interest income	29,000	21,000
Return on plan assets (excluding interest income)	-	-
	<u>29,000</u>	<u>21,000</u>
Mortality rates		
<i>Male</i>		
Current pensioners	87.2 years	86.8 years
Future pensioners	88.2 years	88.2 years
<i>Female</i>		
Current pensioners	90.0 years	90.0 years
Future pensioners	91.0 years	91.4 years

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
16 Share Capital				
Ordinary shares of €1 each fully paid:				
At 1 April and 31 March	49	49	49	49
	=====	=====	=====	=====
17 Capital Reserve				
At 1 April and 31 March	14	14	14	14
	=====	=====	=====	=====
18 Revenue Reserves				
At 1 April and 31 March	16,751,401	15,960,264	17,020,359	16,208,916
Surplus for the year	647,177	639,137	574,341	659,443
Actuarial (loss)/gain	444,000	152,000	444,000	152,000
	-----	-----	-----	-----
At 31 March	17,842,578	16,751,401	18,038,700	17,020,359
	=====	=====	=====	=====

19 Contingent Liability

There exists a contingent liability on the Group of the possibility of having to repay grants received on properties if any properties are sold. This also includes any grants written off through the implementation of component accounting.

20 Commitments

Capital Commitments

There are capital commitments amounting to €Nil.

21 Related Party Disclosures

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Tenant - rental income	4,781	4,687	4,781	4,687
Management services	97,250	93,055	97,250	93,055
Accountancy services (net of VAT)	25,000	30,000	20,000	25,000
	=====	=====	=====	=====

Transactions with subsidiary companies have not been disclosed in accordance with available exemptions for 100% owned subsidiary companies.

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

22 Notes to the Cashflow Statement

	2023	2022	
	£	£	
Cashflow from operating activities			
Operating surplus for the year	668,800	685,856	
Surplus (loss) on disposal of fixed assets	(18,545)	(19,852)	
Other costs	-	-	
Depreciation of tangible fixed assets	496,975	513,055	
Grant released	(234,545)	(251,791)	
Movements in:			
Rental debtors	6,243	8,528	
Other debtors	(69,734)	34,520	
Creditors less than one year	(3,667)	4,653	
	<u>845,527</u>	<u>974,969</u>	
Cashflow from financing activities			
Interest received	5,727	2,489	
Interest paid	(4,350)	(8,208)	
	<u>1,377</u>	<u>(5,719)</u>	
Cashflow from investing activities			
Purchase of housing properties	(996,524)	(938,490)	
Capital grants received	15,831	-	
Other fixed assets	(15,637)	(100,527)	
Disposal of fixed assets	386,093	350,729	
	<u>(610,237)</u>	<u>(688,288)</u>	
Financing			
Share capital	-	-	
New loans	-	-	
Loans repaid	(46,465)	(49,604)	
	<u>(46,465)</u>	<u>(49,604)</u>	
Analysis of Net Debt			
	At 31/03/22	Cashflows	At 31/03/23
	£	£	£
Bank and cash balances	1,128,576	190,202	1,318,778
Loans	(99,773)	46,465	(53,308)
	<u>1,028,803</u>	<u>236,667</u>	<u>1,265,470</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

23 Association turnover, operating costs and operating surplus	2023			2022
	Turnover	Operating costs	Operating surplus (deficit)	Operating surplus
	£	£	£	£
Social Housing Activities	2,226,677	1,649,258	577,419	683,016
Non-Social Housing Activities	18,545	-	18,545	19,852
Totals	2,245,222	1,649,258	595,964	702,868
Turnover, operating costs and operating surplus from social housing activities				
	2023			2022
	General Needs	Sheltered	Total	Total
	£	£	£	£
Income from Social Housing				
Rent and rates receivable	1,578,843	337,291	1,916,134	1,911,916
Service charges receivable	-	166,993	166,993	163,406
Support income	-	23,207	23,207	22,580
Grant released	197,990	36,555	234,545	251,790
Gross income	1,776,833	564,046	2,340,879	2,349,692
Voids	(34,901)	(79,301)	(114,202)	(134,353)
Net income	1,741,932	484,745	2,226,677	2,215,339
Operating costs				
Services	-	204,258	204,258	179,894
Supporting People	-	47,912	47,912	42,197
Management costs	247,407	49,004	296,411	277,776
Rates payable	158,943	30,126	189,069	170,766
Maintenance administration costs	199,626	36,266	235,892	205,571
Planned and cyclical maintenance	95,059	23,136	118,195	81,091
Reactive maintenance	93,072	22,023	115,095	110,920
Bad debts	12,000	-	12,000	12,000
Depreciation	356,120	54,126	410,246	431,300
Other costs	20,180	-	20,180	20,808
Total operating costs	1,182,407	466,851	1,649,258	1,532,323
Operating surplus	559,525	17,894	577,419	683,016

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2023

23 Association turnover, operating costs and operating surplus (continued)

	2023			2022
	General Needs £	Sheltered £	Total £	Total £
DSD Allowances				
Management allowances	98,208	37,620	135,828	137,808
Management costs	(247,407)	(49,004)	(296,411)	(277,776)
Deficit	(149,199)	(11,384)	(160,583)	(139,968)
Maintenance allowances	115,072	44,080	159,152	161,472
Planned and cyclical maintenance	(95,059)	(23,136)	(118,195)	(81,091)
Reactive maintenance	(93,072)	(22,023)	(115,095)	(110,920)
Deficit	(73,059)	(1,079)	(74,138)	(30,539)
Gross income from rents and service charges				
Technical	868,364	290,120	1,158,484	1,153,846
Non-technical	710,479	237,371	947,850	944,056
Total	1,578,843	527,491	2,106,334	2,097,902
Housing stock			2023	2022
Number of units owned at 31 March:			No.	No.
General needs housing			343	348
Sheltered housing			95	95
Supported housing			-	-
Total owned			438	443