

**ST MATTHEWS HOUSING ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

TMcD Accountancy Practice  
Chartered Accountants & Registered Auditors  
35 Ballylough Road  
Donaghcloney  
BT66 7PQ

# **St Matthews Housing Association Limited**

<b>Board of Management</b>	Mr P Devlin (Chairperson) Mr F Woods (Treasurer) Mr P O'Ruanai Mr P Donnelly Mrs P Brennan Ms L Fegan Mr D Brennan Mr J O'Donnell Mr C Devenny
<b>Secretary</b>	Mr J Black
<b>Registered Office</b>	58 Harper Street Belfast BT5 4EN  Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 No IP 177  Registered with the DfC (NI) Number 18
<b>Auditors</b>	TMcD Accountancy Practice 35 Ballylough Road Donaghcloney BT66 7PQ
<b>Bankers</b>	Ulster Bank Limited 11-16 Donegal Square East Belfast BT1 5UB
<b>Solicitors</b>	Philip Armstrong Solicitors Oceanic House 298 Antrim Road Glengormley BT36 5EG

<b><u>Contents</u></b>	<b><u>Pages</u></b>
Report of the board of management	2 - 3
Report of the auditors	4 - 6
Statement of Income - Income and expenditure account	7
Statement of Comprehensive Income	8
Statement of Financial Position - Balance sheet	9
Cashflow statement	10
Notes to the cashflow statement	11
Notes to the financial statements	12 - 23

# **St Matthews Housing Association Limited**

## **Report of the Board of Management**

The Board present their report together with the financial statements for the year ended 31 March 2023.

### **Principal activities**

The Association is a registered non-profit making housing association providing housing accommodation for those in need.

### **Results**

The surplus reported in the Income & Expenditure Account for the period was £258,396 compared with a surplus of £245,898 for the previous period.

### **Board of Management**

The Board of Management meets regularly throughout the year. There are two committees who meet regularly throughout the year with specific responsibilities for finance and personnel and audit.

### **Going Concern**

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

### **Internal Financial Control**

The Board of Management 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 of Management have 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 organisational 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 Audit Committee review matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from senior management.

# **St Matthews Housing Association Limited**

## **Report of the Board of Management** *(Continued)*

### **Statement of the Board of Management**

The Board of Management is required to prepare accounts for each financial period 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 those accounts the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue to operate

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention of fraud and other irregularities.

### **Covid-19 Impact**

The Board have considered the impact of the Covid-19 pandemic on both operational performance in the current year and on future activity. There has been minimal impact on income recovery levels and during 2023 planned maintenance expenditure centred on external maintenance work of a revenue nature rather than internal component capital replacement work. The financial impact on projections for 2023 are considered to be negligible. The Board are also optimistic development and planned maintenance plans will still be delivered within the year. On this basis the Board believe there is no impact on the going concern assumption.

### **Auditors**

A resolution to reappoint TMcD Accountancy Practice will be proposed at the Annual General Meeting.

By order of the Board

Chairperson



Belfast

Date: 27.6.23

# **St Matthews Housing Association Limited**

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

### **Opinion**

We have audited the financial statements of St Matthews Housing Association Limited (the "Association"), which comprise: the Statement of Comprehensive Income, the Statement of Changes in Reserves; the Statement of Financial Position, the Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of the Association's surplus, and of the Association's cash flows, 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 remained independent of the 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. 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 Board'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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

### **Reporting on other Information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

# **St Matthews Housing Association Limited**

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

### **Reporting on other Information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### **Opinion on Other Matters**

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

- The information given in the report of the board of management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The report of the board of management has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report on by exception**

In light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

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

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

### **Responsibilities for the Financial Statements and the Audit**

#### *Board Responsibility for the Financial Statements*

As explained more fully in the Statement of Board's Responsibilities set out on page 3, the board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The board is also responsible for such internal control as it determines 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.

# **St Matthews Housing Association Limited**

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

### **Responsibilities for the Financial Statements and the Audit (continued)**

#### *Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We considered the opportunities and incentives that may exist within the association for fraud and identified the greatest potential for fraud in the following areas: recognition of income and management override through the posting of unusual journals. We discussed these risks with management, designed audit procedures to test the recognition of income and tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this Report**

This report is made solely to the Association's members, as a body, in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



M McDowell (Senior Statutory Auditor)  
For and on behalf of TMcD Accountancy Practice  
Chartered Accountants & Statutory Auditors

35 Ballylough Road  
Donaghcloney  
BT66 7PQ

## **St Matthew's Housing Association Limited**

### **Statement of Income - Income & Expenditure Account** **Year ended 31 March 2023**

	Notes	2023 £	2022 £
Turnover	2	1,332,005	1,381,813
Operating costs	2	(1,014,403)	(1,040,428)
<b>Operating Surplus</b>	<b>2</b>	<b>317,602</b>	<b>341,385</b>
Interest receivable	5	22,712	1,919
Interest payable	6	(31,918)	(32,406)
Other interest (charge)/income	17	(6,000)	(14,000)
Pension additional service cost	17	(44,000)	(51,000)
<b>Surplus on Ordinary Activities Before Taxation</b>		<b>258,396</b>	<b>245,898</b>
Tax on surplus on ordinary activities	8	-	-
<b>Surplus for the Year</b>	<b>15</b>	<b>258,396</b>	<b>245,898</b>

The turnover and expenses all relate to continuing operations.

## **St Matthew's Housing Association Limited**

### **Statement of Comprehensive Income and Retained Earnings** **Year ended 31 March 2023**

	Notes	2023 £	2022 £
Surplus reported		258,396	245,898
Actuarial gain on pension scheme	17	246,000	527,000
Total recognised gains since last annual report		<u>504,396</u>	<u>772,898</u>
Retained surplus at 1 April 2022		5,799,003	5,026,105
Retained surplus at 31 March 2023		<u><u>6,303,399</u></u>	<u><u>5,799,003</u></u>

### **Statement of Changes in Reserves** **Year ended 31 March 2023**

	Notes	2023 £	2022 £
Total recognised gains since last annual report		504,396	772,898
Opening total capital and reserves		5,799,361	5,026,463
Closing total capital and reserves		<u><u>6,303,757</u></u>	<u><u>5,799,361</u></u>

## **St Matthew's Housing Association Limited**

### **Statement of Financial Position (SoFP) - Balance Sheet** **As at 31 March 2023**

	Notes	2023 £	2022 £
<b>Tangible Fixed Assets</b>			
Housing land and buildings:	9		
Cost		20,055,911	19,188,477
Less: Depreciation		(5,048,080)	(4,778,783)
		<u>15,007,831</u>	<u>14,409,694</u>
Other fixed assets	10	28,135	26,922
		<u>15,035,966</u>	<u>14,436,616</u>
<b>Current Assets</b>			
Debtors	11	99,648	91,704
Cash and bank balances		1,577,635	2,157,046
		<u>1,677,283</u>	<u>2,248,750</u>
<b>Creditors: Amounts Falling Due Within One Year</b>			
Creditors	12	(301,822)	(347,916)
<b>Net Current Assets</b>			
		<u>1,375,461</u>	<u>1,900,834</u>
<b>Total Assets Less Current Liabilities</b>		16,411,427	16,337,450
<b>Creditors: Amounts Falling Due After More Than One Year</b>			
Deferred grant	9	9,103,411	9,070,506
Long term liabilities	12	1,004,259	1,271,583
Pension fund liability	17	-	196,000
		<u>10,107,670</u>	<u>10,538,089</u>
<b>Total Net Assets</b>		<u>6,303,757</u>	<u>5,799,361</u>
<b>Reserves</b>			
Share Capital	13	57	57
Capital Reserves	14	301	301
Revenue Reserves	15	6,303,399	5,799,003
		<u>6,303,757</u>	<u>5,799,361</u>

The financial statements were approved by the Board and are signed on their behalf by:

Chair 

Secretary 

Date: 22-6-23

Board Member 

## **St Matthew's Housing Association Limited**

### **Cashflow Statement**

**Year ended 31 March 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net Cash Flows from Operating Activities (note 1)	426,716	431,053
Returns on Investments and Servicing of Finance (note 2)	(9,206)	(30,487)
Capital Expenditure and Investment (note 2)	(847,775)	(198,647)
	<u>(430,265)</u>	<u>201,919</u>
Financing (note 2)	(149,146)	(74,387)
(Decrease)/Increase in Bank and Cash	<u>(579,411)</u>	<u>127,532</u>
	=====	=====
Reconciliation of Net Cashflow to Movement in Net Debt (note 3)		
	<b>£</b>	<b>£</b>
Decrease in cash in period	(579,411)	
Cash outflow from decrease in debt	149,146	
Movement in net debt in the period	<u>                    </u>	(430,265)
Net funds at 1 April 2022		1,247,658
Net funds at 31 March 2023		<u>817,393</u>
		=====

## **St Matthew's Housing Association Limited**

### **Notes to the Cashflow Statement**

**Year ended 31 March 2023**

#### **1. Reconciliation of Operating Surplus to Operating Cashflows**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating surplus	317,602	341,385
Surplus on property disposal	(9,691)	(41,160)
Depreciation	329,646	303,491
Amortisation of grant	(178,359)	(219,363)
Movements in:		
Rental debtors	9,322	8,776
Other debtors	(1,265)	(23,526)
Creditors less than one year	(40,539)	61,450
	<u>426,716</u>	<u>431,053</u>

#### **2. Analysis of Cashflows in the Cashflow Statement**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Returns on Investments and Servicing of Finance</b>		
Investment income received	22,712	1,919
Interest paid	(31,918)	(32,406)
	<u>(9,206)</u>	<u>(30,487)</u>
<b>Capital Expenditure and Investment</b>		
Capital expenditure	(949,383)	(634,226)
Capital grants received	7,980	2,875
Other fixed assets	(7,459)	-
Sale of fixed assets	101,087	432,704
	<u>(847,775)</u>	<u>(198,647)</u>
<b>Financing</b>		
Share capital	-	-
New loans	-	-
Loan principal repayments	(149,146)	(74,387)
	<u>(149,146)</u>	<u>(74,387)</u>

#### **3. Analysis of Changes in Net Debt**

	<b>At 31/03/22</b>	<b>Cashflows</b>	<b>At 31/03/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Bank and cash balances	2,157,046	(579,411)	1,577,635
Loans	(909,388)	149,146	(760,242)
	<u>1,247,658</u>	<u>(430,265)</u>	<u>817,393</u>

# St Matthews Housing Association Limited

## Notes to the Financial Statements Year Ended 31 March 2023

### 1. Accounting Policies

#### 1.1 *Basis of Accounting*

The financial statements have been prepared on a going concern basis, under the historical cost convention and in compliance with FRS 102, The Financial Reporting Standard applicable in the UK and the Housing SORP: Statement of Recommended Practice by Registered Social Landlords (updated 2018). The financial statements are prepared in sterling, which is the functional currency of the entity.

#### 1.2 *Revenue Recognition*

Revenue is recognised when the Association has entitlement to the funds and it is probable that the income will be received and the amount is reliably measured.

Turnover represents rental income, service charge income receivable net of voids, release of capital grant and development allowances and is recognised in the period to which it relates.

#### 1.3 *Other Fixed Assets and Depreciation*

Tangible fixed assets, except housing properties, 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:

Office furniture and equipment:	10.00%
Computer equipment:	20.00%
Office premises:	2.50%

#### 1.4 *Housing Properties*

Housing properties are stated at cost. 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.

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. Depreciation charged in the accounts is based on properties in management on the 1<sup>st</sup> April each year.

Land	Not depreciated		
Structure (including roof)	100 years	Heating systems	25 years
Kitchen	20 years	Doors	30 years
Bathroom	25 years	Electrics	30 years
Windows	30 years		

#### *Impairment of Fixed Assets*

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

# **St Matthews Housing Association Limited**

## **Notes to the Financial Statements 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 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.

#### *1.7 Retirement benefits*

The Association participates in an industry wide defined benefit final salary pension scheme. The underlying assets and liabilities of the scheme attributable to St Matthews Housing Association have been identified by actuaries. As a result the Association recognises the scheme deficit on the balance sheet at the year end. Actuarial gains and losses are included in the statement of recognised gains and losses. 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 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.

#### *1.10 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.

The association has recognised a defined benefit pension scheme liability in the balance sheet, the value of which has been prepared by an independent qualified actuary. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

# **St Matthews Housing Association Limited**

## **Notes to the Financial Statements Year Ended 31 March 2023**

### **1. Accounting Policies (continued)**

#### *1.11 Financial Instruments*

Financial instruments are recognised in the company's statement of financial position when the company 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.

#### *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 company's contractual obligations expire or are discharged or cancelled.

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

#### **2. Turnover, operating costs and operating surplus**

	2023	2023	2022	2022
	Turnover	Operating costs	Operating surplus	Operating surplus
	£	£	£	£
Social Housing Activities	1,235,942	917,931	318,011	309,305
Non-Social Housing Activities	96,063	96,472	(409)	32,080
<b>Totals</b>	<b>1,332,005</b>	<b>1,014,403</b>	<b>317,602</b>	<b>341,385</b>

#### **Turnover, operating costs and operating surplus from social housing activities**

	2023		2022
	General Needs	Total	Total
	£	£	£
<b>Income from Social Housing</b>			
Rent receivable net of rates	1,052,914	1,052,914	1,036,070
Service charges receivable	14,827	14,827	14,385
Grant released	178,359	178,359	219,363
Gross income	1,246,100	1,246,100	1,269,818
Voids	(10,158)	(10,158)	(7,157)
Net income	1,235,942	1,235,942	1,262,661
<b>Operating costs</b>			
Services	24,500	24,500	16,324
Rates	143,138	143,138	137,974
Management	150,365	150,365	139,597
Maintenance admin	129,558	129,558	116,988
Planned and cyclical maintenance	56,172	56,172	153,282
Reactive maintenance	84,798	84,798	76,220
Bad debts	6,000	6,000	6,000
Depreciation of properties	323,400	323,400	306,971
Total costs	917,931	917,931	953,356
Operating surplus	318,011	318,011	309,305

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 March 2023**

#### **2. Turnover, operating costs and operating surplus (continued)**

	<b>General Needs</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>DfC Allowances</b>		
Management allowances	81,576	81,972
Management costs	150,365	139,597
Surplus/(deficit)	(68,789)	(57,625)
Maintenance allowances	95,584	96,048
Planned/cyclical maintenance	56,172	153,282
Reactive maintenance	84,798	76,220
Surplus/(deficit)	(45,386)	(133,454)
<b>Gross income from rents and service charges</b>		
Technical	683,874	675,639
Non-technical	373,709	367,659
Total	1,057,583	1,043,298
<b>Turnover, operating costs and operating surplus from non-social housing activities</b>		
	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Development	86,372	77,992
Surplus on property disposal	9,691	41,160
Total	96,063	119,152
<b>Operating costs</b>		
Development	86,372	77,992
Other	10,100	9,080
Total	96,472	87,072
<b>Operating surplus</b>	(409)	32,080

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 March 2023**

#### **2. Turnover, operating costs and operating surplus (continued)**

<b>Housing stock</b>	<b>2023 No.</b>	<b>2022 No.</b>
Number of units owned at 31 March:		
General needs housing	206	207
Sheltered housing	-	-
Supported housing	-	-
<b>Total owned</b>	<b>206</b>	<b>207</b>
Number of units managed but not owned at 31 March:		
General needs housing	-	-
Sheltered housing	-	-
Supported housing	-	-
<b>Total managed</b>	<b>-</b>	<b>-</b>
<b>Total units owned and managed at 31 March</b>	<b>206</b>	<b>207</b>

#### **3. Board Members' Emoluments**

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

#### **4. Employee Information**

	<b>2023 No.</b>	<b>2022 No.</b>
The average weekly number of persons employed during the year was:		
Office	6	6
Staff costs	<b>£</b>	<b>£</b>
Salaries	204,305	194,562
Social security costs	21,767	19,112
Other pension costs	37,422	35,887
	<b>263,494</b>	<b>249,561</b>
<b>Director's Emoluments</b>		
Aggregate emoluments	63,877	59,386
Pension contributions	12,150	11,294
<b>Total emoluments</b>	<b>76,027</b>	<b>70,680</b>

The association has one director whose emoluments (excluding pension contributions) fall into the following range:

More than £55,000 but not more than £60,000	-	1
More than £60,001 but not more than £65,000	1	-

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

	2023	2022
	£	£
<b>5. Interest Receivable</b>		
Interest receivable from unlisted investments	22,712	1,919
	=====	=====
<b>6. Interest Payable</b>		
On bank loans, overdrafts and other loans:		
Bank	1,429	1,238
Loans	30,489	31,168
	-----	-----
	31,918	32,406
	=====	=====
<b>7. Surplus on ordinary activities before taxation</b>		
Surplus on ordinary activities before taxation is stated after charging:		
Depreciation - owned tangible fixed assets	318,226	303,491
Amortisation of grant	(178,359)	(219,363)
Auditors' remuneration - audit work	8,000	8,000
Auditors' remuneration - non-audit work	1,000	1,000
Internal auditors' remuneration	8,500	8,500
	=====	=====

### **8. Taxation**

No provision for current or deferred taxation is necessary due to the charitable status of the association.

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

#### **9. Tangible Fixed Assets - Housing Land and Buildings**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At beginning of year	19,188,477	18,972,314
Additions	949,383	634,226
Eliminated on disposal	(81,949)	(418,063)
At end of year	<u>20,055,911</u>	<u>19,188,477</u>
<b>Depreciation</b>		
At beginning of year	4,778,783	4,599,080
Charge for year	311,980	300,635
Eliminated on disposal	(42,683)	(120,932)
At end of year	<u>5,048,080</u>	<u>4,778,783</u>
<b>Net Book Value</b>		
At end of year	<u><u>15,007,831</u></u>	<u><u>14,409,694</u></u>
<b>Net Book Value Comprises</b>		
Completed schemes	13,789,867	13,793,181
Schemes in progress	1,217,964	616,513
	<u>15,007,831</u>	<u>14,409,694</u>
<b>HAG and Other Grants</b>		
At beginning of year	12,390,793	12,508,642
Additions	7,980	2,875
Re-cycled from DPF account	221,473	132,414
Eliminated on disposal	(53,548)	(253,138)
At end of year	<u>12,566,698</u>	<u>12,390,793</u>
<b>Amortisation</b>		
At beginning of year	3,155,287	3,014,447
Released in year	168,691	214,141
Disposals	(25,691)	(73,301)
At end of year	<u>3,298,287</u>	<u>3,155,287</u>
<b>Net Book Value</b>		
At 31 March	<u><u>9,268,411</u></u>	<u><u>9,235,506</u></u>
<b>Released within one year</b>	165,000	165,000
<b>Released after one year</b>	9,103,411	9,070,506
	<u>9,268,411</u>	<u>9,235,506</u>

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements Year ended 31 March 2023**

#### **10. Other Tangible Fixed Assets**

	Office premises	Office equipment	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	39,454	101,167	140,621
Additions	-	7,459	7,459
At end of year	<u>39,454</u>	<u>108,626</u>	<u>148,080</u>
<b>Depreciation</b>			
At beginning of year	30,542	83,157	113,699
Charge for year	986	5,260	6,246
At end of year	<u>31,528</u>	<u>88,417</u>	<u>119,945</u>
<b>Net Book Value</b>			
At end of year	<u>7,926.00</u>	<u>20,209</u>	<u>28,135</u>
At beginning of year	<u>8,912</u>	<u>18,010</u>	<u>26,922</u>

<b>2023</b>	<b>2022</b>
<b>£</b>	<b>£</b>

#### **11. Debtors**

Arrears of rent - technical	30,605	29,342
Arrears of rent - non-technical	75,283	64,259
Less: provision for bad and doubtful debts	(65,062)	(59,454)
	<u>40,826</u>	<u>34,147</u>
HAG receivable	-	-
Prepayments and accrued income	23,211	20,780
Other debtors	35,611	36,777
	<u>99,648</u>	<u>91,704</u>

#### **12. Creditors**

##### **Amounts falling due within one year:**

Accruals and deferred income	84,473	112,767
Rents received in advance	16,001	12,245
Deferred grant (note 9)	165,000	165,000
Loan	36,348	57,904
	<u>301,822</u>	<u>347,916</u>

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements Year ended 31 March 2023**

	2023	2022
	£	£
<b>12. Creditors (continued)</b>		
<b>Amounts falling due after more than one year:</b>		
Loans	726,923	851,484
Disposal proceeds fund	277,336	420,099
	<u>1,004,259</u>	<u>1,271,583</u>
	=====	=====

#### **Loans**

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

In one year or less	36,348	57,904
Between one and two years	36,348	63,694
Between two and five years	109,044	210,190
In five years or more	581,531	577,600
	<u>763,271</u>	<u>909,388</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 in the range 4% to 5.50%.

<b>13. Share Capital</b>	<b>£</b>
Ordinary shares of £1 each fully paid:	
Balance brought forward	57
Balance carried forward	<u>57</u>
	=====

<b>14. Capital Reserves</b>	
Balance brought forward	301
Balance carried forward	<u>301</u>
	=====

	2023	2022
	£	£
<b>15. Revenue Reserves</b>		
Balance brought forward	5,799,003	5,026,105
Surplus for year	258,396	245,898
Actuarial gain for the year	246,000	527,000
	<u>6,303,399</u>	<u>5,799,003</u>
	=====	=====

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 March 2023**

#### **16. Related Party Transactions**

The following balances in debtors exist with related parties:

	<b>2023</b>	<b>2022</b>
	£	£
Technical rent arrears	290	282
Car loan	6,110	9,444
	<u>=====</u>	<u>=====</u>

Rent charged to tenant board members is on the same basis as other tenants. Interest is charged on loans.

#### **17. Retirement Benefits**

The Association's pension scheme forms part of the total fund administered by NILGOSC. St Matthew's has contributed at a rate of 19% of pensionable salaries. Members have paid contributions at the rates up to 8.5%.

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.

	<b>2023</b>	<b>2022</b>
<b>Assumptions</b>		
Rate of salary increase	2.90%	2.00%
Pension increases in payment	2.90%	3.10%
Discount rate	4.70%	2.85%
Rate of inflation	3.20%	3.50%
<b>Assets and Liabilities</b>	<b>£</b>	<b>£</b>
Total value of assets	1,456,000	1,489,000
Present value of funded liabilities	1,398,000	1,685,000
Asset/(deficit)	<u>58,000</u>	<u>(196,000)</u>
Asset not recognised	(58,000)	-
Net pension liability	<u>-----</u> -	<u>-----</u> (196,000)
Average expected future life at age 65 for:		
Male currently aged 65	21.8 years	21.8 years
Female currently aged 65	24.6 years	25.1 years
Male currently aged 45	22.5 years	23.1 years
Female currently aged 45	25.4 years	26.5 years

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 March 2023**

##### **17. Retirement Benefits (continued)**

The Association's pension scheme forms part of the total fund administered by NILGOSC. St Matthew's has contributed at a rate of 19% of pensionable salaries. Members have paid contributions at the rates up to 8.5%.

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.

	<b>2023</b>	<b>2022</b>
<b>Assumptions</b>		
Rate of salary increase	2.90%	2.00%
Pension increases in payment	2.90%	3.10%
Discount rate	4.70%	2.85%
Rate of inflation	3.20%	3.50%
<b>Assets and Liabilities</b>		
	<b>£</b>	<b>£</b>
Total value of assets	1,456,000	1,489,000
Present value of funded liabilities	1,398,000	1,685,000
Asset/(deficit)	58,000	(196,000)
Asset not recognised	(58,000)	-
Net pension liability	-	(196,000)
Average expected future life at age 65 for:		
Male currently aged 65	21.8 years	21.8 years
Female currently aged 65	24.6 years	25.1 years
Male currently aged 45	22.5 years	23.1 years
Female currently aged 45	25.4 years	26.5 years

## **St Matthew's Housing Association Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 March 2023**

#### **17. Retirement Benefits** *(continued)*

The following amounts have been recognised in the performance statements for the period to 31 March 2023.

	2023	2022
	£	£
<b>Analysis of the amount charged to operating profit</b>		
Service cost	81,000	85,000
Past service cost	-	-
Settlements and curtailments	-	-
Total operating charge	<u>81,000</u>	<u>85,000</u>
<b>Analysis of the amount credited to financing of provisions</b>		
Expected return	43,000	32,000
Interest on pension liabilities	(49,000)	(46,000)
Net finance charge	<u>(6,000)</u>	<u>(14,000)</u>
<b>Amount recognised in the statement of total recognised gains and losses (STRGL)</b>		
Actuarial (loss) gain in STRGL	<u>246,000</u>	<u>527,000</u>
<b>Movement in surplus during the year</b>		
Deficit at 1 April	(196,000)	(658,000)
Total operating charge	(81,000)	(85,000)
Contributions by employer	37,000	34,000
Net finance charge	(6,000)	(14,000)
Actuarial (loss) gain in STRGL	246,000	527,000
Deficit at 31 March	<u>-</u>	<u>(196,000)</u>

#### **18. Capital Commitments**

There are capital commitments totalling £Nil that have been contracted for.

#### **19. Contingent Liability**

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