

Registered no: IP000158

Newington Housing Association (1975) Limited
Annual report and financial statements
for the year ended 31 March 2023

Newington Housing Association (1975) Limited

Annual report and financial statements for the year ended 31 March 2023

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Board of Management and advisers

Board of Management

Mr N Kelly (Chairman)
Mr C McCarroll (Vice Chairman)
Mr S McKenna
Mrs R Bradley (Resigned 20.09.22)
Mr P O'Flaherty
Mr P Privilege
Mrs C Maginness
Mr G Walsh
Ms S Walsh (Resigned 20.01.23)
Mr L Mooney (Treasurer)
Ms B Hassan
Mrs L Privilege
Mrs L Vincent (Appointed 14.10.22)
Mrs B Callaghan (Appointed 14.10.22)
Mr M Glinwood (Appointed 14.10.22)
Mr S Drummond (Appointed 14.10.22)
Mr C Moore (Appointed 14.10.22 & Resigned 13.02.23)
Mrs H Wilson (Appointed 23.02.23)

Honorary Secretary

Mr A Kerr

Registered office

300 Limestone Road
Belfast
BT15 3AR

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 – Number IP 158

Registered charity with the Charity Commission for Northern Ireland- Charity registration Number- 102477

Registered with the DfC (NI) – Number 13

Solicitors

Arthur Cox
Victoria House
Gloucester Street
Belfast BT1 4LS

Bankers

Danske Bank
1 Donegall Square West
Belfast
County Antrim
BT1 6JS

AIB
31 - 35 High Street
Belfast
County Antrim
BT1 2 AL

Ulster Bank
11-16 Donegall Square East
Belfast
County Antrim
BT1 5UB

Newington Housing Association (1975) Limited

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Board of Management and advisers

Independent auditors

ASM (B) Ltd
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Statement of Comprehensive Income for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	5	4,916,862	4,766,486
Operating costs	6	(3,913,064)	(3,629,692)
Operating surplus	7	1,003,798	1,136,794
Surplus arising from sale of housing property		397,613	334,610
Transfer to Disposal Proceeds Fund	17	(397,613)	(334,610)
Interest receivable and similar income	10	2,854	4,449
Interest payable and similar charges	11	(526,865)	(440,087)
Other finance costs	11	(31,000)	(26,000)
Surplus on ordinary activities		448,787	675,156
Actuarial gain/ (loss) in respect of pension schemes	24	1,511,000	363,000
Total comprehensive income		1,959,787	1,038,156

All amounts above relate to continuing operations of the Association.

Statement of changes in reserves for the year ended 31 March 2023

		2023 £	2022 £
Surplus on ordinary activities for the financial year		448,787	675,156
Movement in share capital and capital reserve	19	6	1
Actuarial gain/ (loss) in respect of pension schemes	24	1,511,000	363,000
Net addition to capital and reserves		1,959,793	1,038,157
Opening total capital and reserves		13,980,353	12,942,196
Closing total capital and reserves		15,940,146	13,980,353

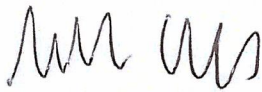
Newington Housing Association (1975) Limited

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Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties	12	65,841,997	66,742,127
Other tangible fixed assets	13	2,058,820	2,127,840
		67,900,817	68,869,967
Current assets			
Debtors	14	628,080	198,041
Cash at bank and in hand		1,340,676	1,187,087
		1,968,756	1,385,128
Creditors: amounts falling due within one year	15	(1,982,737)	(1,855,568)
Net current (liabilities)/ assets		(13,981)	(470,440)
Total assets less current liabilities		67,886,836	68,399,527
Creditors: amounts falling due after more than one year	16	(52,018,690)	(53,202,174)
Pension (liability) / Asset	24	72,000	(1,217,000)
Net assets		15,940,146	13,980,353
Capital and reserves			
Called up share capital	19	25	19
Capital reserve	20	192	192
Revenue reserve		15,939,929	13,980,142
Total funds		15,940,146	13,980,353

The financial statements on pages 17 to 39 were approved by the Board of Management on 18 September 2023 and were signed on its behalf by:



Mr N Kelly
Chairman



Mr A Kerr
Honorary Secretary



Mr C McCarroll
Board of Management

Registered number: IP000158

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

1 General information

The Association's principal activity during the financial year continues to be provision of social housing. The Association is registered under the under Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is 300 Limestone Road, Belfast, BT15 3AR.

2 Statement of compliance

These financial statements of Newington Housing Association (1975) Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2018). The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Association's shareholders.

The Association has taken advantage of the following exemptions:

- the Association has taken advantage of the exemption, under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, APEX Housing Association Limited, includes the Association's cash flows in its own consolidated financial statements; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Association and value added taxes. The Association bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The Association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Association retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the Association and (e) when the specific criteria relating to each of the Association's sales channels have been met, as described below.

i) Net rental income

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

ii) Other income

Other income is recognised in the Statement of comprehensive income when the terms of revenue recognition have been met.

Employee benefits

The Association provides a range of benefits to employees, including paid holiday arrangements and defined benefit pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined benefit plan

The Association operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of each financial year less the fair value of the plan assets at the same date.

The defined benefit obligation is calculated annually by an external actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets out of which the obligations are to be settled is measured in accordance with the Association's accounting policy for financial assets. For most plan assets this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Employee benefits (continued)**

The cost of the defined benefit plan, recognised in profit or loss, except where included in the cost of an asset, comprises:

- (a) the increase in net defined benefit liability arising from employee service during the financial year; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This cost is recognised in the Statement of Comprehensive Income as 'Other finance costs'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Tangible fixed assets**Housing properties**

The Association operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included in 'Creditors: amounts falling due in less than one year' and 'Creditors: amounts falling due after more than one year' and are recognised in income over the useful life of the housing property structure and its individual components. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, 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.

Depreciation and Impairment**Housing properties**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the Association's asset management strategy. In determining the remaining useful lives for the housing stock, the Association has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight-line basis over their expected use economic lives.

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

3 Summary of significant accounting policies (continued)**Depreciation and Impairment (continued)****Housing properties**

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	100 years
Roof structure and coverings	80 years
Windows and external doors	30 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	40 years
Boilers/flues	15 years
Kitchens	20 years
Electrics	40 years
Lift	30 years

Housing assets are depreciated in the month following acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

Other fixed assets

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Office premises	-	2% on cost
Office furniture and equipment	-	10% - 20% on cost
Computer equipment	-	25% on cost

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Association and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income.

Leased assets

At inception the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

Cash and cash equivalents

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

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Impairment of non-financial assets**

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 Statement of Comprehensive Income.

Notes to the financial statements for the year ended 31 March 2023**3 Summary of significant accounting policies (continued)****Financial instruments (continued)**

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 Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from group companies, 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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.

Disposal proceeds fund

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be used by the Association to fund works on property that would not be eligible for Housing Association Grant or in certain circumstances, attract loan finance.

If the surpluses are not used within two years of their receipt they may be payable in part or in full to the Department for Communities.

Tenants' Services Fund

For certain schemes, the Association is required to charge tenants for additional services provided, over and above the normal management and maintenance services. The Association levies an additional charge to the Tenants for this. Annual surpluses and deficits are transferred to a fund to equalise the financial position over a period of time.

Revenue reserves

The Association's policy is to retain a level of revenue reserves which reflects its needs at the current time and in the foreseeable future. The reserves required are sufficient to meet committed running costs for a period equivalent to three months budgeted future expenditure and is in line with the group policy. The Board of Management reviews the adequacy of the revenue reserves level on an annual basis.

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

4 Critical accounting judgements and estimation uncertainty

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

(a) Critical judgement in applying the entity's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

The Board of Management make estimates and assumptions concerning the future in the process of preparing the financial statements. The key estimates and assumptions that have been made in the preparation of these financial statements are as follows:

(i) Useful economic lives of housing properties

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

5 Turnover

Turnover and results relate to the Association's main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges, net of voids. It also includes amortisation of the Housing Association Grant received from the Northern Ireland Housing Executive.

6 Operating costs

	2023	2022
	£	£
Direct property management costs	3,189,137	2,891,077
FRS 102 Pension costs	191,000	225,000
Administrative expenses	532,927	513,615
	3,913,064	3,629,692

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

7 Operating surplus

	2023	2022
	£	£
This is stated after charging/(crediting):		
Staff costs (note 8)	998,108	895,184
Depreciation	1,131,492	1,084,888
Amortisation of housing association grant	(662,680)	(654,813)
Loss on disposal of fixed assets	5,933	8,682
Auditors' remuneration – external audit	13,367	12,100

8 Employee information

	2023	2022
	£	£
Staff costs		
Wages and salaries	770,000	691,965
Social security costs	82,508	69,182
Other pension costs	145,600	134,037
FRS 102 Pension cost	191,000	225,000
	1,189,108	1,120,184

The above includes capitalised salaries of £50,955.(£144,930 2022)

	Number	Number
Average monthly number of persons employed during the financial year by activity:		
Administration	22	21

9 Directors' emoluments

Members of the Board of Management serve in a voluntary capacity and none were in receipt of emoluments during the year. The remuneration of the Senior Management Team of the Association (which includes the Chief Executive and the three Heads of Departments) during the year was:

	2023	2022
	£	£
Aggregate emoluments	251,366	234,140
Pension contributions	47,148	45,657
	298,514	279,797

The emoluments to the highest paid director (currently the Chief Executive who is included within the above table) are as follows:

	2023	2022
	£	£
Aggregate emoluments	74,030	72,155
Pension contributions	14,436	14,070
	88,466	86,225

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

9 Directors' emoluments (continued)

During the year the key management's emoluments (excluding pension contributions and social security costs) fell within the following band distributions:

	2023	2022
	Number	Number
More than £10,000 but less than £15,000	1	-
More than £15,000 but less than £20,000	1	-
More than £20,000 but less than £25,000	1	3
More than £25,000 but less than £30,000	1	-
More than £30,000 but less than £35,000	1	1

10 Interest receivable and similar income

	2023	2022
	£	£
Interest receivable	2,854	4,449

11 Interest payable and similar charges and other finance costs

	2023	2022
	£	£
On bank loans, overdrafts and other loans	526,865	440,087
Defined benefit pension scheme net interest cost	31,000	26,000
	557,865	466,087

12 Housing properties

	2023	2022
	£	£
Cost		
At 1 April 2022/2021	79,240,767	78,349,283
Additions	495,043	1,359,802
Disposals	(486,810)	(468,318)
At 31 March 2023/2022	79,249,000	79,240,767
Accumulated Depreciation		
At 1 April 2022/2021	12,498,640	11,575,258
Charge for the year	1,064,586	1,057,737
Disposals	(156,223)	(134,355)
At 31 March 2023/2022	13,407,003	12,498,640
Net Book Value at 31 March 2023	65,841,997	66,742,127

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

12 Housing properties (continued)

	2023	2022
	£	£
Housing Association Grant and other grants		
At 1 April 2022	44,470,659	44,410,556
Additions	51,699	348,629
Disposals	(321,882)	(288,526)
At 31 March 2023	44,200,476	44,470,659
Accumulated Amortisation		
At 1 April 2022	9,504,664	8,959,340
Charge for the year	662,680	654,813
Disposals	(139,380)	(109,489)
At 31 March 2023	10,027,954	9,504,664
Net Book Value at 31 March 2023	34,172,522	34,965,995

13 Other tangible fixed assets

	Office premises £	Fixtures, fittings and office equipment £	Total £
Cost			
At 1 April 2022	2,145,661	156,377	2,302,038
Additions	12,408	1,644	14,052
Disposals	(16,166)	0	(16,166)
At 31 March 2023	2,141,903	158,021	2,299,924
Accumulated Depreciation			
At 1 April 2022	138,701	35,497	174,198
Charge for year	42,696	24,209	66,905
Disposals	-	0	0
At 31 March 2023	181,397	59,706	241,103
Net book amount			
At 31 March 2023	1,960,506	98,315	2,058,821
At 31 March 2022	2,006,960	120,880	2,127,840

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

14 Debtors

	2023	2022
	£	£
Rental debtors gross - Technical	106,972	77,848
Rental debtors gross - Non-technical	115,781	113,036
Provision for bad debts	(89,828)	(89,828)
Net rental (including rates, service charges) debtors	132,925	101,056
Other debtors	421,858	41,034
Prepayments and accrued income	73,297	55,951
	628,080	198,041

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Loans- banks (note 18)	767,490	746,247
Loans- DFC (note 18)	-	-
Other creditors	66,770	118,127
Amounts owed to parent undertakings (note 26)	42,847	42,847
Accruals and deferred income	437,623	293,534
Housing Association Grant (note 12)	668,007	654,813
Disposal proceeds fund (note 17)	-	-
	1,982,737	1,855,568

16 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Loans (note 18)	17,672,316	18,446,746
Disposal Proceeds fund (note 17)	841,859	444,246
Housing Association Grant (note 12)	33,504,515	34,311,182
	52,018,690	53,202,174

The Association expects to utilise the Disposals Proceeds Fund within the timescales allowed by the Department For Communities.

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

17 Disposals Proceeds Fund

	2023	2022
	£	£
At 1 April	444,246	109,636
Transfers in from house sales	397,613	334,610
Utilised against development schemes	-	-
At 31 March	841,859	444,246

18 Loans

	2023	2022
	£	£
Bank loans - Housing property		
Less than one year, or on demand (Note 15)	767,490	746,247
Between one and two years	3,467,490	754,551
Between two and five years	4,553,826	5,234,029
After more than five years	9,650,952	12,458,166
	18,439,757	19,192,993

Repayment Terms	Interest Rate	2023	2022
		£	£
Quarterly repayments over a period of 20 years commencing 2018	2.65% fixed	3,133,018	3,277,677
Quarterly repayments over a period of 25 years commencing 2001	6.016% fixed	181,439	223,331
Quarterly repayments over a period of 25 years commencing 2003	1.35% + SONIA	75,033	113,176
Quarterly repayments over a period of 25 years commencing 2004	6.016% fixed	426,505	481,152
Quarterly repayments over a period of 25 years commencing 2004	6.016% fixed	356,842	404,847
Quarterly repayments over a period of 20 years commencing 2019	2% fixed/SONIA	11,566,940	11,992,810
Revolving credit facility	2.0% + SONIA	2,700,000	2,700,000
		18,439,777	19,192,993

Security

The banks hold security charges over the related mortgaged housing properties.

	2023	2022
	£	£
Department for Communities - Housing Property Loans		
Less than one year (Note 15)	-	-
	-	-

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

19 Called up share capital

	2023	2022
	£	£
Ordinary shares of £1 each, fully paid		
At 1 April 2022	19	85
Additions	6	1
Shares transferred to Capital Reserve Account	-	(67)
At 31 March 2022	25	19

The addition of £6 share capital in the year relates to shares issued to Board members, J Drummond, L Vincent, B Callaghan, M Glinwood, C Moore and H Wilson.

20 Capital reserve

	2023	2022
	£	£
At 1 April 2022	192	125
Transfer from share capital	-	67
At 31 March 2023	192	192

21 Turnover, operating costs and operating surplus - Association

Turnover, operating costs and operating surplus	2023			2022		
	Operating turnover £	Operating costs £	Operating surplus £	Operating turnover £	Operating costs £	Operating surplus £
Social Housing Activities	4,916,862	(3,913,064)	1,003,798	4,766,486	(3,629,692)	1,136,794
Non-Social Housing Activities	-	-	-	-	-	-
Total	4,916,862	(3,913,064)	1,003,798	4,766,486	(3,629,692)	1,136,794

22 Housing Stock

Number of units owned on 31 March	2023	2022
Self-Contained	Number	Number
General needs housing	625	632
Supported Housing	13	13
Other	78	77
Total Units Owned and Managed at the year end	716	722

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

23 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities - Association

Social Housing Activities	General Needs Housing £	Sheltered Housing £	Other Supported £	2023 Total £
Operating income				
Rent and rates receivable net of service charges	3,797,738	335,198	32,008	4,164,944
Service charges receivable	26,774	82,104	13,466	122,344
Other-support income	-	15,463	-	15,463
Income from HAG	599,236	42,890	20,555	662,681
Gross social housing income	4,423,748	475,655	66,029	4,965,432
Less voids	(41,792)	(6,778)	-	(48,570)
Total social housing income	4,381,956	468,877	66,029	4,916,862
Operating Costs				
Services	110,432	30,182	0	140,614
Supporting people costs	-2	21,893	0	21,891
Management costs	629,049	78,505	13,084	720,639
Maintenance administration costs	550,360	68,685	11,447	630,492
Bad Debts (rent and service charges)	8,289	0	0	8,289
Planned and cyclical maintenance	221,196	12,315	3,063	236,574
Reactive maintenance	362,372	44,172	19,687	426,232
Depreciation of social housing	965,734	81,033	17,820	1,064,586
Other costs	192,080	23,972	3,995	220,047
Rates paid	409,542	34,159	0	443,701
Total social housing expenditure	3,449,052	394,915	69,097	3,913,064
Operating Surplus/(Deficit) on social housing	932,903	73,962	(3,067)	1,003,798

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

23 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities - Association (continued)**Social Housing Activities (continued)**

	General Needs Housing £	Sheltered Housing £	Other Supported £	2023 Total £
<i>DfC Allowances</i>				
Management allowances	247,500	30,888	5,148	283,536
Management costs	(629,049)	(78,505)	(13,084)	(720,638)
Deficit	(381,549)	(47,617)	(7,936)	(437,102)
<i>Maintenance Allowances</i>				
Maintenance Allowances	348,639	43,510	7,252	399,401
Planned and cyclical maintenance	(221,196)	(12,315)	(3,063)	(236,574)
Reactive maintenance	(362,372)	(44,172)	(19,687)	(426,232)
Deficit	(234,929)	(12,977)	(15,499)	(263,405)
Technical and Non-Technical Income				
Technical	2,980,117	337,217	11,128	3,328,462
Non-Technical	844,396	95,548	34,346	974,290
Total	3,824,513	432,765	45,474	4,302,752

The Association did not carry out any non-social housing activities during the current or previous financial year.

The Association received £15,464 (2022: £10,997) during the year from the Northern Ireland Housing Executive as restricted funds in respect of Supporting People. The costs associated with Supporting People during the year were £21,893 (2022: £22,952). The net deficit was funded from the Association's general reserves.

24 Pension liability

The net pension deficit and surplus amounts shown below under FRS102 section 28 'Retirement benefits' do not represent a shortfall or surplus which impacts on short term cash funding. The amount shown below is calculated to comply with the Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

- (i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;
- (ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

FRS102 section 28 figures in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

A full Actuarial Valuation of the scheme was carried out as at 31 March 2022.

The major assumptions used by the actuary were:

	2023	2022
Rate of increase in salaries	4.1%	4.4%
Rate of increase in pensions in payment	2.6%	2.9%
Discount rate	4.6%	2.7%
Inflation assumption	2.6%	2.9%

The mortality assumptions used were as follows:

	2023 Years	2022 Years
Average expected future life at age 65 for - male currently aged 65	22.2	21.8
- female currently aged 65	25.0	25.0
- male currently aged 45	23.2	23.2
- female currently aged 45	26.0	26.4

The assets in the scheme and the expected rates of return were:

	2023 £	2022 £
Equities	1,347,000	1,280,000
Property	343,000	344,000
Bonds	1,185,000	1,224,000
Cash	193,000	196,000
Other	196,000	110,000
Total market value of assets	3,264,000	3,154,000
Present value of scheme liabilities	(3,192,000)	(4,371,000)
Net pension surplus/(deficit)	72,000	(1,217,000)

24 Pension liability (continued)

Reconciliation of present value of scheme liabilities	2023	2022
	£	£
At 1 April	4,371,000	4,255,000
Service cost	337,000	356,000
Member contributions	48,000	42,000
Interest on scheme liabilities	118,000	89,000
Actuarial (gains)/ losses	(1,632,000)	(305,000)
Benefits paid	(50,000)	(66,000)
At 31 March	3,192,000	4,371,000

Reconciliation of fair value of scheme assets	2023	2022
	£	£
At 1 April	3,154,000	2,926,000
Expected return on scheme assets	87,000	63,000
Actuarial (losses)/gains	(121,000)	58,000
Employer contributions	146,000	131,000
Member contributions	48,000	42,000
Benefits paid	0	(66,000)
At 31 March	3,264,000	3,154,000

Analysis of amounts charged/ (credited) to income and expenditure:	2023	2022
	£	£
Current service cost	337,000	356,000
Past service cost	-	-
Expected return on pension scheme assets	(87,000)	(63,000)
Interest on pension scheme liabilities	118,000	89,000
	368,000	382,000

Amounts for current and previous three years:	2023	2022	2021	2020
	£	£	£	£
Fair value of employer assets	3,264,000	3,154,000	2,926,000	2,256,000
Present value of defined benefit obligation	(3,192,000)	(4,371,000)	(4,255,000)	(3,169,000)
Surplus/(Deficit)	72,000	(1,217,000)	(1,329,000)	(913,000)

Actuarial gains and losses

The amount of actuarial gain recognised in the Statement of comprehensive income is £1,511,000 (2022: gain of £363,000)

25 Contingent liabilities

The accumulated position of total Housing Association Grant released at 31 March 2023 is £10,027,954 (note 12). The amount of Housing Association grant amortised and recognised as income in the year to 31 March 2023 is £662,680. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

26 Related parties

The Association has identified the following transactions which must be disclosed under the terms of section 33 of FRS 102.

	2023	2022
	£	£
APEX Housing Association Limited		
Amounts owed (to)/ by APEX Housing Association Limited at 1 April	(42,847)	(42,433)
Invoices due to APEX Housing Association Limited	(2,319)	(414)
Amounts paid to Apex Housing Limited	2,319	
Shares issued	-	-
Amount owed to parent undertaking at 31 March (note 15)	(42,847)	(42,847)

27 Ultimate Controlling Party

The immediate parent company and the ultimate parent company for the group is APEX Housing Association Limited.

The parent undertaking of the smallest and largest group of undertakings, of which this association is a member, and for which consolidated financial statements are prepared is APEX Housing Association Limited, an association incorporated in Northern Ireland. Copies of the consolidated financial statements are available to the public upon request from 10 Butcher Street, Londonderry, BT48 6HL. The association considers the Board of Management in APEX Housing Association Limited to be their ultimate controlling party.

