

Registered No: IP000173

Grove Community Housing Association Limited

Report and Financial Statements

For the Year Ended 31 March 2023



Grove Community Housing Association Limited
Year Ended 31 March 2023

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Grove Community Housing Association Limited
Year Ended 31 March 2023

Board of Management and Advisers

Board of Management

Mr B Dunn	Chair
Mr J Chapman	Vice Chair
Ms A Johnston	Resigned 20 th September 2022
Mr E Hunt	
Mr E Holmes	
Ms C Mullan	Resigned 27 th February 2023
Mr RV Chestnutt	
Mr R Arbuthnot	
Mr B McCarron	

Chief Executive and Secretary

Ms A Crawford

Registered office

171 York Road, Belfast, BT15 3HB

Registered number

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 and Financial Conduct Authority, IP000173

Registered as a housing association with the Department for Communities (Northern Ireland), Registered Number R14

Registered as a charity with the Charity Commission for Northern Ireland, NIC 104573.

Statutory Auditors

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

Bankers

Ulster Bank Limited
202-206 York Street
Belfast, BT15 1HY

Bank of Ireland
31 University Road
Belfast, BT7 1NH

Solicitors

Edwards & Co. Solicitors
28 Hill Street
Belfast, BT1 2LA

Quigg Golden Limited
18 Hill Street
Belfast, BT1 2LA

Accountants

Connon Associates Ltd
40 Liminary Road
Ballymena, BT42 3HN

Report of the Board of Management for the year ended 31 March 2023

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.

Financial results

The surplus for the year was £208,155 compared to a surplus of £244,866 for the previous year.

Board of Management

The Board of Management meets regularly throughout the year.

Going Concern

The Board has assessed its Forecasts under various scenarios, including a significant increase in inflation, energy and staffing costs, on its operating results and financial position and have a reasonable expectation that the Association has 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.

Value for Money

The Association is committed to delivering Value for Money (VfM) by continuous performance improvement. This is a key principle of the Association's business plan which aims to deliver VfM under its business objectives and Department for Communities (DfC) standards of Finance, Governance and Consumer. Achieving a balance of progress against the specific targets within our Strategic Plan and Business plan will ensure we remain true to our core mission and values and we believe, ensure success.

We continue to benchmark our services against our peers and other relevant measures, mainly from the NI Federation of Housing Associations (NIFHA) and DfC, to prioritise areas for focus.

The Association considers VfM in terms of the maximum outcomes for the minimum cost of service provision. The Association therefore strives to provide quality homes at reasonable cost. In 2022-23 the annual rent increase was 4%. The service charges were also reviewed to ensure all eligible costs were included and we strived to ensure the servicing contracts provided good value for money.

The Association has always benefited from volunteerism, with many of our Committee members and shareholders undertaking tasks on behalf of the Association, such as actively participating in the provision of tenant participation activities, including social events, community garden activities and joint initiatives with others for those in food poverty. This type of practical contribution enables us to deliver high value, meaningful services while enabling the Association to keep costs to a minimum.

The Association activities that contribute to VfM include:

- Key performance indicators which encourage efficient and effective services and behaviours;

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- Continual review of services and suppliers and investment in technology to enable procedures to be streamlined and improve compliance;
- Delivering maximum value to the customer while minimising costs;
- Working effectively and efficiently while maintaining and improving the service to our customers by making the best use of resources;
- Effective procurement of services including use of joint procurement with other Housing Associations to provide very competitive maintenance costs;
- Tenant satisfaction surveys and engagement to assess quality of services provided from an end user perspective, thereby understanding their definition of value, and focusing on and doing the right things; and
- Ongoing investment in our properties, ensuring high standard accommodation and efficient, comfortable homes.

Understanding VfM is as essential as managing and demonstrating it. The Association's Board leads the approach to value for money by setting the strategic vision and mission. The Association is also focused and determined to secure VfM into the future. We will continue to review opportunities for VfM in 2023-24, coupled with ongoing benchmarking within the sector.

Regulation

The Association's principal regulator is the Department for Communities (DfC). The Association complies with DfC's Regulatory Standards.

In April 2017 a new Regulatory Framework was introduced for the regulation of Registered Housing Association in Northern Ireland (RHAs). Under this approach, RHAs are assessed annually against 3 standards namely: Governance, Finance and Consumer. This has concluded that the overall engagement opinion and regulatory judgement rating for Grove Community Housing Association is 1. It has assessed all three of the standards namely, Governance, Consumer and Finance as 'MET'. The Association will be reassessed following submission of the annual regulatory return at the end of September 2023. The Association continues to adopt a risk based approach in identifying and managing risk with a focus on outcomes rather than compliance. We prioritise the management and use of our resources and acknowledge our responsibility to stakeholders, particularly tenants and wider community.

Internal controls

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 reporting 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;

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- 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; and
- The Board review matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from senior management.

Statement of the responsibilities of the Board of Management

The Board of Management is responsible for preparing the Board of Management's Report and the financial statements in accordance with applicable laws and regulations.

The Board of Management is required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of its surplus or deficit for that period. In preparing these financial statements, the Board of Management are required to:

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

The Board of Management are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969). They are also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each of the members of the Board of Management are aware at the date of approval of these financial statements:

- there is no relevant audit information of which the Association's auditors are unaware; and
- they have taken all the steps that they ought to have taken 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 ASM (B) Ltd will be proposed at the Annual General Meeting.

On behalf of the Board of Management



Mr B Dunn (Chair)



Mr E Hunt (Board Member)

Date: 19th September 2023

Independent Auditor's Report

Opinion

We have audited the financial statements of Grove Community Housing Association Limited for the year ended 31 March 2023 which comprises the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the statement of cash flows and the related 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) and the Housing SORP – Statement of Recommended Practice for social housing providers issued by the National Housing Federation.

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 its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with those 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report (cont'd)

Other information

The other information comprises the information included in the Report of the Board of Management other than the financial statements and our auditor's report thereon. The Board of Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in so doing, 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

Opinion on other matters prescribed by the Companies Act

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 by exception

In the light of the 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 of Management.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Management

As explained more fully in the Board of Management responsibilities statement the Board of Management is 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 of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (cont'd)

In preparing the financial statements, the Board of Management 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 of Management either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: posting of unusual journals along with complex transactions. We discussed this risk with client management, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias.

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. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Board of Management, in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969). Our audit work has been undertaken so that we might state to the Board of Management those matters that 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 Board of Management, for our audit work, for this report, or for the opinion we have formed.

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B Clerkin (Senior Statutory Auditor)
for and on behalf of ASM (B) Ltd
Statutory Auditor
Glendinning House
6 Murray Street
Belfast
BT1 6DN

19th September 2023

Grove Community Housing Association Limited
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Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	1,367,343	1,348,927
Operating costs	3	(1,071,374)	(1,010,635)
Operating surplus		295,969	338,292
Gain / (Loss) on disposal of fixed assets		226,769	(16,344)
Transfer to disposal proceeds fund	15	(250,976)	-
Other income	3a	-	475
Interest and financing income		6,683	181
Interest and financing costs	6	(70,290)	(77,738)
Surplus for the year		208,155	244,866
Other comprehensive income			
Actuarial gain in respect of pension scheme	18	278,000	181,000
Total comprehensive income for the year		486,155	425,866

The results relate wholly to continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

Grove Community Housing Association Limited
Year Ended 31 March 2023

Statement of Changes in Equity

For the year ended 31 March 2023

	2023	2023	2023	2023	2022
	Share	Capital	Revenue	Total	Total
	Capital	reserve	reserve	Total	Total
	£	£	£	£	£
Balance at 1 April	16	122	3,682,287	3,682,425	3,256,549
Surplus for the year	-	-	208,155	208,155	244,866
Remeasurement of the net defined benefit plan	-	-	278,000	278,000	181,000
Movement in share capital	(8)	8	-	-	10
Balance at 31 March	8	130	4,168,442	4,168,580	3,682,425

The notes on pages 13 to 25 form part of these financial statements.

Grove Community Housing Association Limited
Year Ended 31 March 2023

Statement of Financial Position

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Housing properties	9	11,911,346	12,030,368
Other tangible fixed assets	11	557,442	558,048
		<u>12,468,788</u>	<u>12,588,416</u>
Current assets			
Trade and other debtors	12	109,174	102,203
Cash and cash equivalents		1,321,853	1,405,642
		<u>1,431,027</u>	<u>1,507,845</u>
Less: Creditors: amounts falling due within one year	13	543,774	523,382
Net current assets		<u>887,253</u>	<u>984,463</u>
Total assets less current liabilities		<u>13,356,041</u>	<u>13,572,879</u>
Creditors: amounts falling due after more than one year	13	9,201,461	9,682,454
Pension fund (asset) / liability	18	(14,000)	208,000
Total net assets		<u>4,168,580</u>	<u>3,682,425</u>
Reserves			
Share capital	19	8	16
Revenue reserve	20	4,168,442	3,682,287
Capital reserve	21	130	122
Total reserves		<u>4,168,580</u>	<u>3,682,425</u>

These financial statements were approved by the Board of Management and authorised for issue on 19th September 2023 and are signed on its behalf by:

Mr B Dunn
 Director (Chair)



Mr E Hunt
 Director



Ms A Crawford
 Secretary



The notes on pages 13 to 25 form part of these financial statements.

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Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flow from operating activities			
Surplus for the year		208,155	244,866
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	9,11	233,081	264,508
Amortisation of HAG	14	(244,369)	(256,585)
Decrease / (increase) in trade and other debtors	12	(6,971)	(27,593)
Increase / (decrease) in trade and other creditors	13	(45,165)	121,322
Pension costs less contributions payable	18	51,000	57,000
Pension interest payments	18	5,000	7,000
(Gain) / Loss on fixed asset disposals		(226,769)	16,128
Transfer to disposal proceeds fund	15	250,976	-
Adjustments for investing or financing activities:			
Interest payable	6	65,290	70,738
Interest received		(6,683)	(181)
Net cash generated from operating activities		283,545	497,203
Cash flow from investing activities			
Purchase of tangible fixed assets	9,11	(325,186)	(259,335)
Proceeds from sale of tangible fixed assets		360,000	-
Grants received		89,651	-
Interest received		6,683	181
Net cash generated from / (used in) investing activities		131,148	(259,154)
Cash flow from financing activities			
Interest paid	6	(65,290)	(70,738)
Repayments of borrowings		(433,192)	(396,090)
Share capital issued	19	-	10
Net cash used in financing activities		(498,482)	(466,818)
Net change in cash and cash equivalents		(83,789)	(228,769)
Cash and cash equivalents at beginning of the year		1,405,642	1,634,411
Cash and cash equivalents at end of the year		1,321,853	1,405,642

The notes on pages 13 to 25 form part of these financial statements.

Notes to the financial statements

1. Legal status

Grove Community Housing Association Limited is a housing association registered in Northern Ireland in the United Kingdom under the Credit Unions and Co-operative and Community Benefit Societies (Northern Ireland) Act 2016 (formerly known as the Industrial and Provident Societies Act (Northern Ireland) 1969). The registered office of the Association is 171 York Road, Belfast, BT15 3HB.

2. Accounting Policies

2.1 Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Registered Social Housing Providers.

The financial statements are presented in Sterling (£), which is the functional currency of the Association.

2.2 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 includes rental income, service charge income receivable net of voids and release of capital grant and is recognised in the period to which it relates.

2.3 Government and other grants

Housing Association Grant (HAG) is receivable from the Northern Ireland Housing Executive (NIHE) and 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 below.

HAG released on sale of a property may be repayable but is normally available to be recycled and is credited to the Disposal Proceeds Fund and included in the Statement of Financial Position within Creditors.

HAG due is included as a current asset. HAG received in advance is included as a current liability.

HAG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

2.4 Tangible fixed assets

Housing properties

Housing stock are properties held for the provision of social housing or to otherwise provide social benefit and are accounted for within tangible fixed assets. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and any accumulated impairment losses. 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 of Housing properties

The Association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful life.

The Association depreciates the major components of its housing properties over the following useful lives:

Land	- Not depreciated
Structure	- 100 years
Kitchen	- 20 years
Bathroom	- 30 years
Windows and doors	- 30 years
Mechanical systems	- 30 years
Roof	- 60 years
Electrics	- 40 years
Boilers	- 14 years

Depreciation of other tangible fixed assets

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 as follows:

Office equipment	- 4 years
Office premises	- 50 years

2.5 Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the fair value in use of the asset based on its service potential. The resulting

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impairment loss is recognised as expenditure in income and expenditure. Where an asset is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

2.6 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.

2.7 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.

2.8 Defined Benefits Pension

The Association participates in a defined benefit salary pension scheme. The underlying assets and liabilities of the scheme attributable to Grove Housing Association have been identified by actuaries. As a result, the Association recognises the scheme deficit or surplus 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.

2.9 Taxation

The Association is accepted as a charity by the HMRC. Income and capital gains of the Association are generally exempt from tax if applied for charitable purposes.

The Association is not registered for VAT. All of its income, including rental receipts, is exempt for VAT purposes.

2.10 Financial instruments

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.10 Judgements in applying accounting policies and key sources of estimation uncertainty

No judgments have been made in the process of applying the above accounting policies (apart from those involving estimates). There were no key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have

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a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

2.11 Going concern

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

3. Turnover, Operating costs and operating surplus

	Turnover	2023 Operating Costs	Operating Surplus/ (deficit)	2022 Operating Surplus/ (deficit)
	£	£	£	£
Social Housing Activities (Note 4)	1,367,343	1,071,374	295,969	338,292
Non-Social Housing Activities	-	-	-	-
	<u>1,367,343</u>	<u>1,071,374</u>	<u>295,969</u>	<u>338,292</u>

3a. Other Income

	2023	2022
	£	£
Miscellaneous	-	2
Covid19 Community Support Fund	-	473
	<u>-</u>	<u>475</u>

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4. Turnover, operating costs and operating surplus from social housing activities

	2023	2022
	Total	Total
	£	£
Income		
Rent Receivable	1,021,207	1,006,267
Service Charges Receivable	8,993	7,039
Rates Receivable	108,591	109,477
Income from HAG	244,369	256,585
Less: Voids	(15,817)	(30,441)
Total Social Housing Income	<u>1,367,343</u>	<u>1,348,927</u>
Operating Costs		
Service Costs	9,799	10,023
Management costs	404,054	319,149
Rates Payable	110,691	109,120
Maintenance Administration costs	197,620	155,449
Planned & Cyclical Maintenance	22,600	59,188
Reactive Maintenance	63,542	63,024
Clerk of works	987	-
Change of tenancy repairs	29,191	29,698
Bad debts written off	(191)	692
Depreciation of Housing Properties	215,824	224,883
Other Depreciation	17,257	39,625
Profit on disposal of fixed asset components and HAG	-	(216)
Total Social Housing Expenditure	<u>1,071,374</u>	<u>1,010,635</u>
Operating surplus on social housing	<u>295,969</u>	<u>338,292</u>
DfC Allowances	2023	2022
	£	£
Management allowances	85,503	86,295
Management costs	(404,054)	(319,149)
Deficit	<u>(318,551)</u>	<u>(232,854)</u>
Maintenance allowances	118,940	119,868
Planned and cyclical maintenance	(22,600)	(59,188)
Reactive maintenance	(63,542)	(63,024)
Surplus/ (deficit)	<u>32,798</u>	<u>(2,344)</u>
Technical & Non-Technical Income	2023	2022
	£	£
Technical	713,105	698,242
Non-Technical	425,686	424,541
Total	<u>1,138,791</u>	<u>1,122,783</u>

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5. Surplus on ordinary activities

Surplus on ordinary activities is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation – owned tangible fixed assets	233,081	264,508
Amortisation of grant	244,369	256,585
Auditor’s remuneration		
- External audit of these financial statements	9,000	6,600
- Internal audit	12,920	7,408

6. Interest payable

	2023	2022
	£	£
Bank charges	932	831
Loan Interest	64,358	69,907
Pension Interest charges	5,000	7,000
	70,290	77,738

7. Employee information

Average weekly number of employees during the financial year expressed as full-time equivalents is as follows:

	2023	2022
	No.	No.
Office	8	7
	8	7

Staff costs

	2023	2022
	£	£
Wages and salaries	266,344	192,798
Social security costs	22,575	13,994
Pension costs	43,314	28,749
Pension service non-cash cost	51,000	57,000
	383,233	292,541

Grove Community Housing Association Limited
Year Ended 31 March 2023

The aggregate remuneration, including benefits in kind and pension contributions, of key management personnel of the Association during the year was:

	2023	2022
	£	£
Salary	65,339	62,420
Pension contributions	12,680	12,111
Aggregate remuneration*	<u>78,019</u>	<u>74,531</u>

*Remuneration 2022 includes a pay increase backdated to the previous financial year.

The number of management personnel to whom emoluments (excluding employer pension contributions) were paid during the year falls within each of the following bands:

	2023	2022
65,000 – 70,000	1	-
60,000 – 65,000	-	1
55,000 – 60,000	-	-
	<u>1</u>	<u>1</u>

8. Board of Management remuneration

There was no remuneration paid to the board members of the Association (2022: £nil). Board members were paid out of pocket expenses totalling £559 (2022: £288).

9. Tangible fixed assets – Housing properties

	£	
Cost or valuation		
At 1 April 2022	16,512,736	
Additions	308,535	
Disposals	(367,008)	
At 31 March 2023	<u>16,454,263</u>	
Depreciation		
At 1 April 2022	4,482,368	
Charge for the year	215,824	
Eliminated on disposal	(155,275)	
At 31 March 2023	<u>4,542,917</u>	
Net book value		
At 31 March 2023	<u>11,911,346</u>	
At 31 March 2022	<u>12,030,368</u>	
	2023	2022
Net book value comprises	£	£
Completed schemes	11,284,902	11,492,070
Properties under construction	626,444	538,298
	<u>11,911,346</u>	<u>12,030,368</u>

10. Housing Stock

Number of units owned and managed at year end

Self-Contained	2023 Properties	2022 Properties
General Needs Housing	215	217
Supported Housing	-	-
Sheltered Housing	-	-
	<u>215</u>	<u>217</u>

Number of units managed (but not owned) at year end

Self-Contained	2023 Properties	2022 Properties
General Needs Housing	-	-
Supported Housing	-	-
Sheltered Housing	-	-
	<u>-</u>	<u>-</u>
Total Units Owned and Managed at year end	<u>215</u>	<u>217</u>

11. Other tangible fixed assets

	Office premises	Office equipment	Garden	Total
	£	£	£	£
Cost or valuation				
At 1 April 2022	755,618	103,503	65,380	924,501
Additions	-	16,651	-	16,651
Disposals	-	-	-	-
At 31 March 2023	<u>755,618</u>	<u>120,154</u>	<u>65,380</u>	<u>941,152</u>
Depreciation				
At 1 April 2022	263,546	102,907	-	366,453
Charge for the year	15,112	2,145	-	17,257
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>278,658</u>	<u>105,052</u>	<u>-</u>	<u>383,710</u>
Net book value				
At 31 March 2023	<u>476,960</u>	<u>15,102</u>	<u>65,380</u>	<u>557,442</u>
At 31 March 2022	<u>492,072</u>	<u>596</u>	<u>65,380</u>	<u>558,048</u>

Grove Community Housing Association Limited
Year Ended 31 March 2023

12. Debtors

	2023	2022
	£	£
Gross rental debtors – Technical	17,125	30,393
Gross rental debtors – Non-Technical	31,658	14,643
Provision for bad debt	(3,856)	(4,200)
Net rental debtors	<u>44,927</u>	<u>40,836</u>
Prepayments and accrued income	42,540	33,644
Other debtors	<u>21,707</u>	<u>27,723</u>
	<u><u>109,174</u></u>	<u><u>102,203</u></u>

13. Creditors

<u>Amounts falling due within 1 year</u>	2023	2022
	£	£
Loans (see analysis below)	111,626	135,691
Deferred Housing Association Grant (note 14)	222,254	240,273
Disposal Proceeds Fund (note 15)	11,890	-
Accruals and deferred income	71,487	117,317
Rent and service charges received in advance	12,912	9,953
Trade creditors	99,268	10,650
Other taxes and social security	8,722	5,794
Other creditors	<u>5,615</u>	<u>3,704</u>
	<u><u>543,774</u></u>	<u><u>523,382</u></u>

<u>Amounts falling due after more than 1 year</u>	2023	2022
	£	£
Loans (see analysis below)	917,106	1,326,233
Deferred Housing Association Grant (note 14)	7,946,648	8,257,600
Disposal Proceeds Fund (note 15)	<u>337,707</u>	<u>98,621</u>
	<u><u>9,201,461</u></u>	<u><u>9,682,454</u></u>

Loans

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

	2023	2022
	£	£
Within one year	111,626	135,692
Between one and two years	111,309	135,692
Between two and five years	333,927	407,076
In five years or more	<u>471,870</u>	<u>783,464</u>
	<u><u>1,028,732</u></u>	<u><u>1,461,924</u></u>

Grove Community Housing Association Limited
Year Ended 31 March 2023

14. Deferred grant

	2023
	£
At 1 April	8,497,873
Grant received in the year	89,651
Released to income in the year	(244,369)
Eliminated on house and component disposals	(174,253)
At 31 March	<u>8,168,902</u>

Deferred grant is Housing Association Grant (HAG) originally received less accumulated amortisation.

15. Disposal Proceeds Fund

	2023
	£
At 1 April	98,621
House sales	336,911
Expenditure	(85,935)
At 31 March	<u>349,597</u>

The surplus on the disposal proceeds fund must be used within two years of the sale of the property.

16. Capital commitments

	2023	2022
	£	£
Capital expenditure		
Contracted for but not provided in the Financial Statements	61,341	-

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by external private finance.

17. Contingent Liabilities

The Association released Housing Association Grant during the year in relation to building components replaced. The possibility of 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.

18. Pension commitments

The Association contributes to the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC). This is a defined benefit scheme and the benefits currently provided are on a Career Average Revaluation Earnings ('CARE') basis, based on an accrual rate of 1/49. Death in service benefits include three times pensionable salary, and spouse pension paid to a qualifying spouse.

The valuation used for the disclosures has been based on the most recent actuarial valuation at 31 March 2022 by a qualified independent actuary in order to assess the liabilities of the scheme using the Projected Unit Method. A full actuarial valuation is carried out every three years. Pension scheme assets were stated at their estimated market value at 31 March 2023.

At 31st March 2023, the pension valuation prepared independently by Aon reports a net pension asset of £14,000.

Reconciliation of funded status to balance sheet

	2023	2022
	£	£
Fair value of assets	1,208,000	1,430,000
Present value of funded defined benefit obligation	(1,194,000)	(1,638,000)
Funded status	14,000	(208,000)
Unrecognised asset	-	-
Asset / (Liability) recognised on the balance sheet	14,000	(208,000)

Changes to the fair value of assets

	2023	2022
	£	£
At 1 April	1,430,000	1,342,000
Interest income on assets	39,000	28,000
Re-measurement gains / (losses) on assets	(279,000)	71,000
Contributions by employer	44,000	28,000
Contributions by participants	15,000	9,000
Net benefits paid out	(41,000)	(48,000)
At 31 March	1,208,000	1,430,000

Changes to the present value of defined benefits obligations

	2023	2022
	£	£
At 1 April	1,638,000	1,667,000
Current service cost	95,000	85,000
Interest expense on defined benefit obligation	44,000	35,000
Contributions by participants	15,000	9,000
Actuarial (gains) / losses on liabilities	(557,000)	(110,000)
Net benefits paid out	(41,000)	(48,000)
At 31 March	1,194,000	1,638,000

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Amounts recognised in the income statement

	2023	2022
	£	£
Operating costs: - current service cost	95,000	85,000
Financing cost: - Interest income on assets	(39,000)	(28,000)
- Interest expense on net defined benefit obligation	44,000	35,000
Total expense recognised in income statement	100,000	92,000

Amounts recognised in other comprehensive income

	2023	2022
	£	£
Asset gains / (losses) arising during the period	(279,000)	71,000
Liability gains / (losses) arising during the period	557,000	110,000
Total amount recognised in other comprehensive income	278,000	181,000

The principal actuarial assumptions used by the actuary at the year-end were as follows:

Key assumptions	2023	2022
	% p.a.	% p.a.
Discount rate	4.70%	2.70%
CPI inflation	2.70%	3.00%
Pension increases	2.70%	3.00%
Pension accounts revaluation rate	2.70%	3.00%
Salary increases	4.20%	4.50%

The main assumptions relating to member longevity at the balance sheet date are as follows:

Mortality assumptions	2023	2022
	Years	Years
Male pensioner member aged 65 at accounting date	22.2	21.8
Male active member aged 45 at accounting date	23.2	23.2
Female pensioner member aged 65 at accounting date	25.0	25.0
Female active member aged 45 at accounting date	26.0	26.4

Asset Allocation	Value at 31 March 2023		Value at 31 March 2022	
	%	£M	%	£M
Equities	41.3%	0.499	42.9%	0.615
Property	10.5%	0.127	10.0%	0.143
Government bonds	20.5%	0.248	24.7%	0.353
Corporate bonds	2.7%	0.033	2.2%	0.031
Multi Asset Credit	13.1%	0.158	13.1%	0.187
Cash	5.9%	0.071	4.0%	0.057
Other	6.0%	0.072	3.1%	0.044
Total	100.0%	1.208	100.0%	1.430

Grove Community Housing Association Limited
Year Ended 31 March 2023

19. Share capital

Ordinary shares of £1 each fully paid:

	2023	2022
	£	£
At 1 April	16	15
Issued in the year	-	10
Transferred to capital reserves	(8)	(9)
31 March	<u>8</u>	<u>16</u>

20. Revenue reserves

	2023	2022
	£	£
At 1 April	3,682,287	3,256,421
Surplus for the year	208,155	244,866
Actuarial gain / (loss) for the year	278,000	181,000
At 31 March	<u>4,168,442</u>	<u>3,682,287</u>

21. Capital reserves

	2023	2022
	£	£
At 1 April	122	113
Transferred from share capital	8	9
At 31 March	<u>130</u>	<u>122</u>