

Registered No: IP000173

Grove Community Housing Association Limited

Report and Financial Statements

For the Year Ended 31 March 2024



Grove Community Housing Association Limited
Year Ended 31 March 2024

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Board of Management and Advisers

Board of Management

Mr B Dunn (Chair)	
Mr J Chapman (Vice Chair)	Resigned 1 st August 2024
Mr E Hunt	Resigned 1 st May 2024
Mr E Holmes	
Mr RV Chestnutt (Vice Chair)	
Mr R Arbuthnot	
Mr B McCarron	Resigned 19 th September 2023
Mr D Ward	Appointed 19 th September 2023
Mr J Peel (Treasurer)	Appointed 19 th September 2023
Mr J Cochrane	Appointed 19 th September 2023
Mr M Wilkins	Appointed 19 th September 2023
Ms S Smyth	Appointed 19 th September 2023
Mr C McGivern	Appointed 19 th September 2023

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

Sumer Auditco NI Limited
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
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Solicitors

Edwards & Co. Solicitors 28 Hill Street Belfast, BT1 2LA	Quigg Golden Limited 18 Hill Street Belfast, BT1 2LA
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Accountants

Connon Associates Ltd
40 Liminary Road
Ballymena, BT42 3HN

Report of the Board of Management for the year ended 31 March 2024

The Board present their report together with the financial statements for the year ended 31 March 2024.

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 £259,390 compared to a surplus of £208,155 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 2023-24 the annual rent increase was 7%. 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;

Grove Community Housing Association Limited
Year Ended 31 March 2024

- 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 2024-25, 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 2024. 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;

Grove Community Housing Association Limited
Year Ended 31 March 2024

- 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

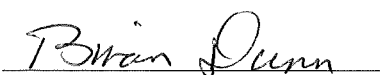
So far as each of the members of the Board of Management are aware at the date of approval of these financial statements:

- 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

In July 2024, our previous external auditors, ASM (B) Ltd, transferred all their external audit contracts to Sumer Auditco NI Limited. The Board has agreed to a new external audit contract with Sumer Auditco NI Limited. A resolution to reappoint Sumer Auditco NI Limited will be proposed at the Annual General Meeting.

On behalf of the Board of Management



Mr B Dunn (Chair)
Date: 24th September 2024



Mr J Peel (Treasurer)

Independent Auditor's Report

Opinion

We have audited the financial statements of Grove Community Housing Association Limited for the year ended 31 March 2024 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 2024 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

In auditing the financial statements, we have concluded that the directors' 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 of Management with respect to going concern are described in the relevant sections of this report.

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.

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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Association 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 where the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

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

We have nothing to report in this regard.

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) are required to report to you if, in our opinion:

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

We have nothing to report in this regard.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's Statement of Responsibilities on page 4, 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.

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.

Auditors' 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:

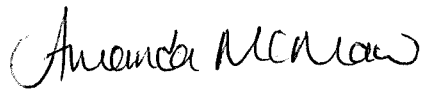
We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: posting of unusual journals along with complex transactions. We discussed this risk with client management, tested a sample of journals 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.

Grove Community Housing Association Limited
Year Ended 31 March 2024



Amanda McMaw (Senior Statutory Auditor)
for and on behalf of Sumer Auditco NI Limited
Statutory Auditors
Glendinning House
6 Murray Street
Belfast
BT1 6DN

24th September 2024

Grove Community Housing Association Limited
Year Ended 31 March 2024

Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Turnover	3	1,427,345	1,367,343
Operating costs	3	(1,129,380)	(1,071,374)
Operating surplus	3	297,965	295,969
Gain / (loss) on disposal of fixed assets		(6,869)	226,769
Transfer from / (to) disposal proceeds fund	15	5,017	(250,976)
Interest and financing income		15,932	6,683
Interest and financing costs	6	(52,655)	(70,290)
Surplus for the year		259,390	208,155
Other comprehensive income			
Remeasurement of net defined benefit plan	18	105,000	278,000
Restriction on pension asset recognition	18	(111,000)	-
Total comprehensive income for the year		253,390	486,155

The results relate wholly to continuing activities.

The notes on pages 13 to 26 form part of these financial statements.

Grove Community Housing Association Limited
Year Ended 31 March 2024

Statement of Changes in Equity

For the year ended 31 March 2024

	2024 Share Capital £	2024 Capital reserve £	2024 Revenue reserve £	2024 Total £	2023 Total £
Balance at 1 April	8	130	4,168,442	4,168,580	3,682,425
Surplus for the year	-	-	259,390	259,390	208,155
Remeasurement of the net defined benefit plan	-	-	105,000	105,000	278,000
Restriction on pension asset recognition	-	-	(111,000)	(111,000)	-
Movement in share capital	6	-	-	6	-
Balance at 31 March	14	130	4,421,832	4,421,976	4,168,580

The notes on pages 13 to 26 form part of these financial statements.

Grove Community Housing Association Limited
Year Ended 31 March 2024

Statement of Financial Position

As at 31 March 2024

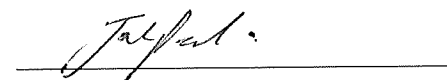
	Notes	2024 £	2023 £
Fixed assets			
Housing properties	9	12,237,630	11,911,346
Other tangible fixed assets	11	539,858	557,442
		<u>12,777,488</u>	<u>12,468,788</u>
Current assets			
Trade and other debtors	12	88,342	109,174
Cash and cash equivalents		943,031	1,321,853
		<u>1,031,373</u>	<u>1,431,027</u>
Less: Creditors: amounts falling due within one year	13	850,277	543,774
Net current assets		<u>181,096</u>	<u>887,253</u>
Total assets less current liabilities		<u>12,958,584</u>	<u>13,356,041</u>
Creditors: amounts falling due after more than one year	13	8,536,608	9,201,461
Pension fund asset	18	-	(14,000)
Total net assets		<u>4,421,976</u>	<u>4,168,580</u>
Reserves			
Share capital	19	14	8
Revenue reserve	20	4,421,832	4,168,442
Capital reserve	21	130	130
Total reserves		<u>4,421,976</u>	<u>4,168,580</u>

These financial statements were approved by the Board of Management and authorised for issue on 24th September 2024 and are signed on its behalf by:

Mr B Dunn
 Director (Chair)



Mr J Peel
 Director (Treasurer)



Ms A Crawford
 Secretary



The notes on pages 13 to 26 form part of these financial statements.

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Grove Community Housing Association Limited
Year Ended 31 March 2024

Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flow from operating activities			
Surplus for the year		259,390	208,155
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	9,11	243,268	233,081
Amortisation of HAG	14	(217,309)	(244,369)
Decrease / (increase) in trade and other debtors	12	20,832	(6,971)
Increase / (decrease) in trade and other creditors	13	(18,536)	(45,165)
Pension costs less contributions payable	18	9,000	51,000
Pension interest payments	18	(1,000)	5,000
(Gain) / Loss on fixed asset disposals		6,869	(226,769)
Transfer to disposal proceeds fund	15	(5,017)	250,976
Adjustments for investing or financing activities:			
Interest payable	6	53,655	65,290
Interest received		(15,932)	(6,683)
Net cash generated from operating activities		335,220	283,545
Cash flow from investing activities			
Purchase of tangible fixed assets	9,11	(569,890)	(325,186)
Proceeds from sale of tangible fixed assets		-	360,000
Grants received	14	5,017	89,651
Interest received		15,932	6,683
Net cash generated from / (used in) investing activities		(548,941)	131,148
Cash flow from financing activities			
Interest paid	6	(53,655)	(65,290)
Repayments of borrowings	13	(111,452)	(433,192)
Share capital issued	19	6	-
Net cash used in financing activities		(165,101)	(498,482)
Net change in cash and cash equivalents		(378,822)	(83,789)
Cash and cash equivalents at beginning of the year		1,321,853	1,405,642
Cash and cash equivalents at end of the year		943,031	1,321,853

The notes on pages 13 to 26 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

Grove Community Housing Association Limited
Year Ended 31 March 2024

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	2024 Operating Costs	Operating Surplus/ (deficit)	2023 Operating Surplus/ (deficit)
	£	£	£	£
Social Housing Activities (Note 4)	1,427,345	1,129,380	297,965	295,969
	<u>1,427,345</u>	<u>1,129,380</u>	<u>297,965</u>	<u>295,969</u>

Grove Community Housing Association Limited
Year Ended 31 March 2024

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

	2024	2023
	Total	Total
	£	£
Income		
Rent Receivable	1,095,170	1,021,207
Service Charges Receivable	9,942	8,993
Rates Receivable	116,710	108,591
Income from HAG	217,309	244,369
Less: Voids	(11,786)	(15,817)
Total Social Housing Income	<u>1,427,345</u>	<u>1,367,343</u>
Operating Costs		
Service Costs	13,468	9,799
Management costs	430,091	404,054
Rates Payable	116,474	110,691
Maintenance Administration costs	208,883	197,620
Cyclical Maintenance	14,580	22,600
Reactive Maintenance	73,282	63,542
Clerk of works	-	987
Change of tenancy repairs	27,319	29,191
Bad debts written off	2,015	(191)
Depreciation of Housing Properties	223,685	215,824
Other Depreciation	19,583	17,257
Total Social Housing Expenditure	<u>1,129,380</u>	<u>1,071,374</u>
Operating surplus on social housing	<u>297,965</u>	<u>295,969</u>
DfC Allowances	2024	2023
	£	£
Management allowances	85,140	85,503
Management costs	(430,091)	(404,054)
Deficit	<u>(344,951)</u>	<u>(318,551)</u>
Maintenance allowances	118,515	118,940
Planned and cyclical maintenance	(14,580)	(22,600)
Reactive maintenance	(73,282)	(63,542)
Surplus	<u>30,653</u>	<u>32,798</u>
Technical & Non-Technical Income	2024	2023
	£	£
Technical	795,220	713,105
Non-Technical	426,602	425,686
Total	<u>1,221,822</u>	<u>1,138,791</u>

Grove Community Housing Association Limited
Year Ended 31 March 2024

5. Surplus on ordinary activities

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

	2024	2023
	£	£
Depreciation – owned tangible fixed assets	243,268	233,081
Amortisation of grant	217,309	244,369
Auditor’s remuneration		
- External audit of these financial statements	11,400	10,800
- Internal audit	8,072	12,920

6. Interest payable

	2024	2023
	£	£
Bank charges	989	932
Loan Interest	52,666	64,358
Pension Interest charges	(1,000)	5,000
	<u>52,655</u>	<u>70,290</u>

7. Employee information

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

	2024	2023
	No.	No.
Office	9	8
	<u>9</u>	<u>8</u>

<u>Staff costs</u>	2024	2023
	£	£
Wages and salaries	318,424	266,344
Social security costs	27,953	22,575
Pension costs	50,651	43,314
Pension service non-cash cost	9,000	51,000
	<u>406,028</u>	<u>383,233</u>

Grove Community Housing Association Limited
Year Ended 31 March 2024

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

	2024	2023
	£	£
Salary	68,068	65,339
Pension contributions	12,851	12,680
Aggregate remuneration	<u>80,919</u>	<u>78,019</u>

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

	2024	2023
65,000 – 70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

8. Board of Management remuneration

There was no remuneration paid to the board members of the Association (2023: £nil). Board members were paid out of pocket expenses totalling £1,792 (2023: £559).

9. Tangible fixed assets – Housing properties

	£
Cost or valuation	
At 1 April 2023	16,454,263
Additions	567,891
Disposals	<u>(147,982)</u>
At 31 March 2024	<u>16,874,172</u>
Depreciation	
At 1 April 2023	4,542,917
Charge for the year	223,685
Eliminated on disposal	<u>(130,060)</u>
At 31 March 2024	<u>4,636,542</u>
Net book value	
At 31 March 2024	<u>12,237,630</u>
At 31 March 2023	<u>11,911,346</u>

	2024	2023
	£	£
Net book value comprises		
Completed schemes	11,482,622	11,284,902
Properties under construction	755,008	626,444
	<u>12,237,630</u>	<u>11,911,346</u>

10. Housing Stock

Number of units owned and managed at year end

Self-Contained	2024	2023
	Properties	Properties
General Needs Housing	215	215
	<u>215</u>	<u>215</u>
Total Units Owned and Managed at year end	<u>215</u>	<u>215</u>

11. Other tangible fixed assets

	Office premises	Office equipment	Garden	Total
	£	£	£	£
Cost or valuation				
At 1 April 2023	755,618	120,154	65,380	941,152
Additions	-	1,999	-	1,999
Disposals	-	-	-	-
At 31 March 2024	<u>755,618</u>	<u>122,153</u>	<u>65,380</u>	<u>943,151</u>
Depreciation				
At 1 April 2023	278,658	105,052	-	383,710
Charge for the year	15,112	4,471	-	19,583
Eliminated on disposal	-	-	-	-
At 31 March 2024	<u>293,770</u>	<u>109,523</u>	<u>-</u>	<u>403,293</u>
Net book value				
At 31 March 2024	<u>461,848</u>	<u>12,630</u>	<u>65,380</u>	<u>539,858</u>
At 31 March 2023	<u>476,960</u>	<u>15,102</u>	<u>65,380</u>	<u>557,442</u>

12. Debtors

	2024	Restated 2023
	£	£
Gross rental debtors – Technical *	39,538	28,007
Gross rental debtors – Non-Technical *	17,818	20,776
Provision for bad debt	(3,431)	(3,856)
Net rental debtors	<u>53,925</u>	<u>44,927</u>
Prepayments and accrued income	28,879	42,540
Other debtors	5,538	21,707
	<u>88,342</u>	<u>109,174</u>

* Gross rental debtors 2023 split between technical and non-technical has been restated.

Grove Community Housing Association Limited
Year Ended 31 March 2024

13. Creditors

<u>Amounts falling due within 1 year</u>	2024	2023
	£	£
Loans (see analysis below)	114,641	111,626
Deferred Housing Association Grant (note 14)	206,571	222,254
Disposal Proceeds Fund (note 15)	344,580	11,890
Accruals and deferred income	149,345	71,487
Rent and service charges received in advance	12,615	12,912
Trade creditors	12,319	99,268
Other taxes and social security	7,234	8,722
Other creditors	2,972	5,615
	<u>850,277</u>	<u>543,774</u>

<u>Amounts falling due after more than 1 year</u>	2024	2023
	£	£
Loans (see analysis below)	802,639	917,106
Deferred Housing Association Grant (note 14)	7,733,969	7,946,648
Disposal Proceeds Fund (note 15)	-	337,707
	<u>8,536,608</u>	<u>9,201,461</u>

Loans

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

	2024	2023
	£	£
Within one year	114,641	111,626
Between one and two years	114,324	111,309
Between two and five years	342,972	333,927
In five years or more	345,343	471,870
	<u>917,280</u>	<u>1,028,732</u>

Grove Community Housing Association Limited
Year Ended 31 March 2024

14. Deferred grant

	2024
	£
At 1 April	8,168,902
Grant received in the year**	5,017
Released to income in the year	(217,309)
Eliminated on component disposals	(16,070)
At 31 March	<u><u>7,940,540</u></u>

** Transferred from the Disposal Proceeds Fund (note 15).

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

15. Disposal Proceeds Fund

	2024
	£
At 1 April	349,597
House sales	-
Expenditure	(5,017)
At 31 March	<u><u>344,580</u></u>

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

16. Capital commitments

	2024	2023
	£	£
Capital expenditure		
Contracted for but not provided in the Financial Statements	-	61,341

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 funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earning scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' (as amended) and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014' (as amended).

The funded nature of the scheme requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2026 resulting from the valuation are set out in the Fund's Rates and Adjustments Certificate. The Committee is responsible for the governance of the Fund.

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures. The Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting

1. Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

2. Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

3. Inflation Risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

4. Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

5. Existing employers

Employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the Employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Professional Qualifications

The pension valuation was prepared by an independent qualified actuary.

Results under FRS 102

At 31st March 2024 there is a net pension asset before consideration of a surplus restriction under paragraph 28 of FRS 102. The maximum economic benefit which can be recognised in the accounts, referred to as the asset ceiling, has been calculated in accordance with IFRIC 14. As the asset ceiling is less than the net pension asset, the net pension asset has been restricted to the asset ceiling.

Reconciliation of funded status to balance sheet

	2024	2023
	£	£
Fair value of assets	1,349,000	1,208,000
Present value of funded defined benefit obligation	(1,238,000)	(1,194,000)
Funded status	111,000	14,000
Unrecognised asset	(111,000)	-
Asset recognised on the balance sheet	-	14,000

Changes to the fair value of assets

	2024	2023
	£	£
At 1 April	1,208,000	1,430,000
Interest income on assets	57,000	39,000
Re-measurement gains / (losses) on assets	60,000	(279,000)
Contributions by employer	50,000	44,000
Contributions by participants	19,000	15,000
Net benefits paid out	(45,000)	(41,000)
At 31 March	1,349,000	1,208,000

Grove Community Housing Association Limited
Year Ended 31 March 2024

Changes to the present value of defined benefits obligations

	2024	2023
	£	£
At 1 April	1,194,000	1,638,000
Current service cost	59,000	95,000
Interest expense on defined benefit obligation	56,000	44,000
Contributions by participants	19,000	15,000
Actuarial (gains) / losses on liabilities	(45,000)	(557,000)
Net benefits paid out	(45,000)	(41,000)
At 31 March	<u>1,238,000</u>	<u>1,194,000</u>

Amounts recognised in the income statement

	2024	2023
	£	£
Operating costs: - current service cost	59,000	95,000
Financing cost: - Interest income on assets	(1,000)	(39,000)
- Interest expense on net defined benefit obligation	-	44,000
Total expense recognised in income statement	<u>58,000</u>	<u>100,000</u>

Amounts recognised in other comprehensive income

	2024	2023
	£	£
Asset gains / (losses) arising during the period	60,000	(279,000)
Actuarial gains / (losses) due to changes in financial assumptions	39,000	552,000
Actuarial gains / (losses) due to changes in demographic assumptions	20,000	(10,000)
Actuarial gains / (losses) due to liability experience	(14,000)	15,000
Adjustment gain / (loss) due to restriction of surplus	(111,000)	-
Total amount recognised in other comprehensive income	<u>(6,000)</u>	<u>278,000</u>

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

Key assumptions	2024	2023
	% p.a.	% p.a.
Discount rate	4.80%	4.70%
CPI inflation	2.60%	2.70%
Pension increases	2.60%	2.70%
Pension accounts revaluation rate	2.60%	2.70%
Salary increases	4.10%	4.20%

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

Mortality assumptions	2024	2023
	Years	Years
Male pensioner member aged 65 at accounting date	21.7	22.2
Male active member aged 45 at accounting date	22.7	23.2
Female pensioner member aged 65 at accounting date	24.6	25.0
Female active member aged 45 at accounting date	25.6	26.0

Grove Community Housing Association Limited
Year Ended 31 March 2024

Asset Allocation	Value at 31 March 2024		Value at 31 March 2023	
	%	£M	%	£M
Equities	39.7%	0.537	41.3%	0.499
Property	9.3%	0.125	10.5%	0.127
Government bonds	15.0%	0.202	20.5%	0.248
Corporate bonds	4.6%	0.062	2.7%	0.033
Multi Asset Credit	13.0%	0.175	13.1%	0.158
Cash	12.4%	0.167	5.9%	0.071
Other	6.0%	0.081	6.0%	0.072
Total	100.0%	1.349	100.0%	1.208

19. Share capital

Ordinary shares of £1 each fully paid:

	2024	2023
	£	£
At 1 April	8	16
Issued in the year	6	-
Transferred to capital reserves	-	(8)
31 March	<u>14</u>	<u>8</u>

20. Revenue reserves

	2024	2023
	£	£
At 1 April	4,168,442	3,682,287
Surplus for the year	259,390	208,155
Remeasurement of net defined benefit plan	105,000	278,000
Restriction on pension asset recognition	(111,000)	-
At 31 March	<u>4,421,832</u>	<u>4,168,442</u>

21. Capital reserves

	2024	2023
	£	£
At 1 April	130	122
Transferred from share capital	-	8
At 31 March	<u>130</u>	<u>130</u>

22. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 8.