

Reg No. IP244000

Abbeyfield & Wesley Housing Association Ltd

Report and Financial Statements

For the Year Ended 31 March 2023

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

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Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Board of Management and Advisers

Ms E Stewart	Chair
Mrs C Worthington	
Mr M Beattie	Appointed 12 th September 2022
Dr D Capper	
Mr K Gordon	
Mr G Montgomery	
Mr A Shott	Resigned 12 th September 2022
Mr W Graham	
Mrs P Sands	
Mr K McParland	Appointed 13 th March 2023
Mrs H Taylor	Appointed 13 th March 2023
Mrs M Bunting	Appointed 13 th March 2023
Dr G Turner	Appointed 13 th March 2023

Chief Executive and Secretary

Mrs G Gilpin

Registered office

2 Wesley Court
Carrickfergus
BT38 8HS

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969)

Registered number

IP 244000

Registered with the Charity Commission for Northern Ireland – NIC 106288

Statutory Auditors

ASM (B) Ltd, Chartered Accountants
4th Floor Glendinning House
6 Murray Street
Belfast
BT1 6DN

Board of Management and Advisers (cont'd)

Bankers

Danske Bank Ltd
77 Main Street
Bangor
BT20 5AP

Solicitors

DWF (Northern Ireland) LLP
42 Queen Street
Belfast
BT1 6HL

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

Strategic Report

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 and is recognised by CCNI and HMRC as having charitable status.

The Association's principal activity is the provision of a range of housing and support options for older people across Northern Ireland such as supported sheltered houses, sheltered accommodation and a care home.

Business Performance Review

The recovery for the Association from the Coronavirus pandemic was slower than anticipated during the financial year. Void levels remained significantly higher than budgeted and increased staff pressures resulted in agency costs being higher than budgeted. However, improvements in occupancy were noted in the last quarter and houses were beginning to return to pre-covid style.

The Association returned an overall surplus of £73,696 this year, a decrease of £43,256 on the surplus in 2021/22 of £116,952. The operating surplus on social housing activities was £57,400 compared to a deficit of £418,095 in 2021/22.

The Board aims to keep rents and charges affordable for all, however, with the annual increases in minimum wage payments (and resulting implications for differential payment levels), as well as pension contributions, increases in costs, particularly in relation to food, utilities and maintenance, combined with a lack of a meaningful increase in Supporting People funding and Residential Care Home tariff, this continues to be increasingly challenging. At the start of the year, charges for housing were increased by 5.8% for Supported Sheltered and 4% for Sheltered, charges for support were increased by 5.8%.

The Financial Position remains strong with net current assets of £1,572,838 and total reserves of £6,766,551.

COVID-19 and Ukraine Crisis Impact

The Association reviewed its working practices over the year balancing the safety for staff and residents as well as ensuring that core services to residents were maintained.

The key areas of focus are support for our staff, residents and suppliers through this challenging time. The Association have reviewed their budgets and cash flows to provide financial assurance and will ensure to keep under close review.

Although not directly impacted by the crisis in Ukraine, this has had a significant impact on our suppliers. We continue to focus on providing support through this challenging time.

Abbeyfield & Wesley Housing Association Ltd

Year Ended 31 March 2023

**Report of the Board of Management for the year ended 31 March 2023
(Cont.)**

Value for Money

Abbeyfield and Wesley aims to provide more than simply somewhere for older people to live. In our accommodation we aim to create a sense of family and close links with the local community, enabling our residents to maintain social connections which are so vital to health and well-being.

In order to provide this added social value, as well as providing quality services and maintaining properties to a high standard, resources have to be managed as efficiently and effectively as possible. Everyone in the association is involved in this endeavour, and we also actively encourage input from external resources.

The key themes in the Strategic Plan for 2023-24 reflect the aims of enhancing the lives of older people and providing social impact and value for money.

Risks

The Board have reviewed the strategic and key risk register quarterly throughout the year. This covers inherent and residual risks for the key strategic areas within the organisation as well as further actions that the Association has put in place to minimise any potential impact. This will continue to be reviewed and amended by the Association.

Strategic changes in the coming year

The Association will continue to implement the post-covid recovery plan, concentrating on returning occupancy levels to pre-pandemic levels and restructuring the planned maintenance programme which had been delayed.

The cash flow provides reassurance that the Association can operate for the foreseeable future.

Corporate Governance

In the opinion of the Board, the Association is in compliance with the Best Practice Code of Governance issued by the NHF and has complied with all DfC Regulatory Standards during the year.

Report of the Board of Management for the year ended 31 March 2023
(Cont.)

Treasury Management Policy

Abbeyfield & Wesley considers that effective treasury management will support the achievement of its business and service objectives and is committed to:

- The security of financial assets and the minimisation of risk.
- The preservation of asset value and liquidity levels.
- The minimisation of costs within those parameters.
- Achieving an appropriate rate of return.

The Association maintains a risk averse stance to investment of cash balances and aims to have sufficient liquid funds available to meet operational costs and borrowing to a minimum. The Association does not currently have any loans.

Board of Management

The Board meets at least four times throughout the year and in 2022/23 met on five occasions. The Finance Sub-Committee met on five occasions, the Governance & Audit sub-committee twice, and the Property & Development on four occasions.

Members' attendance at board meetings during the course of the year was as follows:

Board Members	Meetings Attended	Possible Attendance
Ms Eileen Stewart	5	5
Dr David Capper	4	5
Mr Ken Gordon	4	5
Mrs Celia Worthington	3	5
Mr Glenn Montgomery	3	5
Mr Andrew Shott	1	1
Mr William Graham	4	5
Mr Malcolm Beattie	2	3
Mrs Paula Sands	4	5
Mrs Margaret Bunting	1	1
Mr Kevin McParland	1	1
Mrs Heather Taylor	1	1
Dr Gillian Turner	1	1

Report of the Board of Management for the year ended 31 March 2023
(Cont.)

Going Concern

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

Internal controls

The Board confirms that no issues were raised by the Department for Communities in relation to their Regulatory Standards during the year ended 31 March 2023.

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

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

- Adoption by the Board of 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;
- An organisational structure with clearly defined lines of responsibility and delegation of authority;
- Preparation of detailed budgets covering the business of the Association which are approved and regularly reviewed by the Board. Actual results are compared against budget and, where necessary, appropriate action identified and initiated.

Compliance with Code of Best Practice

The auditors have confirmed that in their opinion, with respect to the Board's statements on internal financial control and going concern above, the members have provided the disclosures required by the Code and such statements are not inconsistent with the information of which they are aware from their audit work on the financial statements, and that the Board's statement on pages 3 to 8 appropriately reflects the Association's compliance with the other paragraphs of the Code. They have carried out their review in accordance with the relevant Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of either the Association's system of internal financial control or corporate governance procedures, or on the ability of the Association to continue in operational existence.

Report of the Board of Management for the year ended 31 March 2023
(Cont.)

Statement of the responsibilities of the Board of Management

The Board is required to prepare accounts for each financial period which give a true and fair view of the state of the Association's affairs and of its surplus or deficit for that period. In preparing those accounts the Board is required to:-

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

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

Events after the Balance Sheet date

Mrs Geraldine Gilpin, Chief Executive Officer (CEO) of the Abbeyfield & Wesley Housing Association for over 25 years, will be retiring later in 2023. Under her leadership, the Association has grown through the mergers of Abbeyfield societies in 2003 and with Wesley Housing Association in 2013. The Association is recognised for the high standard of support and care provided for its residents, with an underlying ethos to provide a sense of community and alleviate loneliness.

In preparation for the forthcoming retirement of Mrs Geraldine Gilpin, the Management Board of Abbeyfield & Wesley undertook a recruitment exercise and Mr Patrick Thompson will be taking over as CEO following a period of handover.

Statement of disclosure to auditors

So far as each of the members of the Board of Management is 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.

Abbeyfield & Wesley Housing Association Ltd

Year Ended 31 March 2023

**Report of the Board of Management for the year ended 31 March 2023
(Cont.)**

Auditors

Following a formal re-tendering for External Audit Services in 2018-19, a resolution to reappoint ASM (B) Ltd was proposed and accepted at the Annual General Meeting.

Signed on behalf of the Board of Management:



Ms E Stewart
Chair



Mr M Beattie
Board Member

Date: 24 August 2023

Independent Auditor's Report

Opinion

We have audited the financial statements of Abbeyfield and Wesley Housing Association Limited for the year ended 31 March 2023 which comprise 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) 1969 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969), with the requirements of Article 19 of the Housing (Northern Ireland) Order 1992, Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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

Independent Auditor's Report (cont'd)

- 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.

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.

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023
Independent Auditor's Report (cont'd)

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.

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 gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which they operate, and considered the risk of acts by the Association that were contrary to applicable laws and regulations, including fraud. We considered the opportunities and incentives that may exist within the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls and fraud risk relating to revenue.

We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. Our audit procedures included: enquiries of management about their own identification and assessment of risks of irregularities, testing the design and implementation of controls relating to the risks, sample testing of journals posted during the year and agreeing a sample of revenue items to underlying documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

Independent Auditor's Report (cont'd)

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Other required reporting

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 exception reporting

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 we 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 financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Use of our report

This report is made solely to the Board of Management, in accordance with Article 38 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (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 Society and the Board of Management, for our audit work, for this report, or for the opinion we have formed.



B Clerkin (Senior Statutory Auditor)
for and on behalf of ASM (B) Ltd
Statutory Auditor
4th Floor Glendinning House
6 Murray Street
Belfast
BT1 6DN

Date: 24 August 2023

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023	2022
		£	£
Turnover	3	4,398,307	4,548,839
Operating costs	3	(4,296,487)	(4,465,167)
Operating surplus		101,820	83,672
Gain / (loss) on disposal of properties held for resale		40,387	-
Fair value adjustment on investments	13	(22,020)	19,401
Unrealised deficit on revaluation of properties held for resale		(65,000)	-
Interest and investment income / (costs)		18,509	13,879
Surplus before tax		73,696	116,952
Taxation		-	-
Surplus after tax		73,696	116,952
Other comprehensive income		-	-
Unrealised surplus / (deficit) on revaluation of housing properties		-	-
Total comprehensive income for the year		73,696	116,952

There are no other recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 19 to 31 form part of these financial statements.

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Statement of Changes in Equity

For the year ended 31 March 2023

	Share Capital £	Capital reserves £	Revenue reserves £	Designated reserves £	Total £
Balance at 1 April 2022	8	42	6,692,805	-	6,692,855
Surplus for the year	-	-	73,696	-	73,696
Other comprehensive income	-	-	-	-	-
Transfers between reserves	-	-	-	-	-
Movement in share capital	-	-	-	-	-
Balance at 31 March 2023	8	42	6,766,501	-	6,766,551

The notes on pages 19 to 31 form part of these financial statements.

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Statement of Financial Position

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Housing properties	10	15,186,046	15,366,143
Other tangible fixed assets	12	140,328	130,636
Investments	13	286,155	308,175
		<u>15,612,529</u>	<u>15,804,954</u>
Current assets			
Properties held for sale	14	435,000	106,856
Trade and other debtors	15	373,409	709,875
Investments		852,975	850,190
Cash and cash equivalents		415,469	433,313
		<u>2,076,853</u>	<u>2,100,234</u>
Less: Creditors: amounts falling due within one year	16	(504,015)	(590,696)
Net current assets		<u>1,572,838</u>	<u>1,509,538</u>
Total assets less current liabilities		<u>17,185,367</u>	<u>17,314,492</u>
Creditors: amounts falling due after more than one year	16	(10,418,816)	(10,621,637)
Total net assets		<u>6,766,551</u>	<u>6,692,855</u>
Reserves			
Share capital	21	8	8
Revenue reserves		6,766,501	6,692,805
Capital reserves	22	42	42
Designated reserves		-	-
Total reserves		<u>6,766,551</u>	<u>6,692,855</u>

These financial statements were approved by the Board of Management and authorised for issue on 24 August 2023 and signed on its behalf by:


 Ms E Stewart, Chair


 Mr M Beattie, Board Member


 Mrs G Gilpin, Secretary

The notes on pages 19 to 31 form part of these financial statements.

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023	2022
		£	£
Net cash inflow / outflow from operating activities	A	5,679	(125,494)
Returns on investments and servicing of finance	B	18,509	13,879
Capital expenditure and financial investment	B	(39,247)	(94,917)
		<hr/>	<hr/>
Cash inflow / outflow before use of liquid resources and financing		(15,059)	(206,532)
		<hr/>	<hr/>
Financing	B	-	-
		<hr/>	<hr/>
		(15,059)	(206,532)
		<hr/>	<hr/>

Reconciliation of net cash flow to movements in net debts (Note C)

Increase / decrease in cash in period	(15,059)
Net funds at 1 April 2022	1,283,503
	<hr/>
Net funds at 31 March 2023	1,268,444
	<hr/>

The notes on pages 17 to 18 form part of this financial statement.

Notes to Statement of Cash Flows

For the year ended 31 March 2023

A. Reconciliation of operating surplus / (deficit) to operating cashflows

	2023	2022
	£	£
Operating surplus	101,820	83,672
Depreciation	317,595	321,882
Amortisation of grant	(205,871)	(207,834)
Profit/(loss) on disposal of properties held for resale	40,387	-
Movements in:		
Rental debtors	11,776	63,802
Other debtors	(175,310)	(563,285)
Creditors less than one year	(84,718)	176,269
	5,679	(125,494)

B. Analysis of cash flows for headings netted in the cash flow statement

Returns on investment and servicing of finance	2023
	£
Interest and investment income received	19,644
Bank charges	(1,135)
Net cash inflow / (outflow) for returns on investment and servicing of finance	18,509
Capital expenditure and financial investment	
Other fixed assets	(14,952)
Housing, land and buildings	(132,238)
Capital grant received	1,087
Properties held for resale	106,856
Major repairs spend	-
Net cash inflow / (outflow) for capital expenditure and financial investment	(39,247)
Financing	
Loan principal repayments	-
Share capital issued	-
Net cash inflow / (outflow) from financing	-

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

Notes to Statement of Cash Flows (cont'd)

For the year ended 31 March 2023

C. Analysis of changes in net funds

	At 01/04/22 £	Cashflows £	Other Changes £	At 31/03/23 £
Cash in hand and at bank	433,313	(17,844)	-	415,469
Investments	850,190	2,785	-	852,975
Debt due within one year	-	-	-	-
Debt due after more than one year	-	-	-	-
	<u>1,283,503</u>	<u>(15,059)</u>	<u>-</u>	<u>1,268,444</u>

Notes to the financial statements

1. Legal status

Abbeyfield & Wesley Housing Association is a housing association registered in Northern Ireland in the United Kingdom under the 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 2 Wesley Court, Carrickfergus, BT38 8HS.

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 ("SORP") 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 rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant.

2.3 Government and other grants

Social housing grant (SHG) or Housing Association Grant (HAG) is receivable from the Northern Ireland Housing Executive (NIHE) and is recognised in income over the useful life of the housing property structure under the accruals model. SHG/HAG due is included as a current asset. SHG/HAG received in advance is included as a liability.

SHG/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.

SHG/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.

Notes to the financial statements (cont.)

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, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

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 estimate useful lives:

Land	-	Not depreciated
Structure/main fabric	-	Over 100 years
Roof	-	Over 70 years
Windows and doors	-	Over 25 - 30 years
Primary heating unit	-	Over 15 years
Kitchen	-	Over 17 - 20 years
Bathroom	-	Over 20 - 25 years
Mechanical systems	-	Over 35 years
Electrics	-	Over 30 - 35 years
Lifts	-	Over 30 - 35 years
Furniture and equipment	-	Over 10 years

Depreciation of other tangible fixed assets

For other tangible fixed assets, depreciation is charged on a straight-line basis over the expected useful lives of the assets to write off the cost, less estimated residual values using the following rates:

Leasehold building	-	2%
Office furniture and equipment	-	20%

Notes to the financial statements (cont.)

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 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 Properties held for sale

Properties held for sale are valued at the lower of depreciated cost and net realisable value.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and in bank with maturities of one month or less.

2.8 Current asset investments

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

2.9 Employee benefits – Defined Contribution Pension

The Association operates a defined contribution scheme for eligible employees. A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid the Association has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid are included as accruals in the Statement of Financial Position. The assets of the plan are held separately from the Association in independently administered funds.

2.10 Tenants' Services Fund

For certain schemes the Association is required to charge to the tenants an additional amount to fund the cost of common facilities. Annual surpluses or deficits are transferred to the Tenants' Services Fund to equalise the financial position over the lifetime of the scheme.

2.11 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 utilised by the Association. 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.

Notes to the financial statements (cont.)

2.12 Income tax

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.

2.13 Value Added Tax

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

2.14 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.

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

2.16 Going concern

After making appropriate enquiries, 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

		2023		2022
	Operating Turnover	Operating Costs	Operating Surplus/ (deficit)	Operating Surplus/ (deficit)
	£	£	£	£
Social Housing Activities (Note 4)	4,340,518	(4,283,118)	57,400	(418,095)
Non-Social Housing Activities (Note 5)	57,789	(13,369)	44,420	501,767
	<u>4,398,307</u>	<u>(4,296,487)</u>	<u>101,820</u>	<u>83,672</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

4. Turnover, operating costs and operating surplus/(deficit) from social housing activities

	2023								
	General Elderly £	Sheltered £	Supporting People Restricted Funding – Sheltered £	Supported Sheltered £	Supporting People Restricted Funding – Sheltered £	Care Home £	Sheltered Tenants' Services £	Social Housing Total £	Total 2022 £
Operating Income									
Rent and rates receivable	46,572	364,233	-	2,203,895	-	1,457,250	-	4,071,950	4,141,312
Service Charges Receivable	1,479	-	-	-	-	-	95,688	97,167	91,840
Supporting People income	-	-	21,553	425,880	154,127	321,452	29,364	952,376	729,947
Income from SHG/HAG	7,545	45,306	-	68,106	-	84,914	-	205,871	207,834
Income from Other Grants	-	-	-	-	-	-	-	-	-
Other Social Housing income	-	-	-	18,557	-	-	14,925	33,482	72,958
Less: Voids	(2,071)	(32,197)	-	(907,342)	-	(65,212)	(13,506)	(1,020,328)	(1,300,935)
Total Social Housing Income	53,525	377,342	21,553	1,809,096	154,127	1,798,404	126,471	4,340,518	3,942,956
Operating Costs									
Service Costs	2,163	458	-	598,305	-	-	64,894	665,820	556,401
Supporting People costs	-	-	44,946	381,995	381,995	-	55,348	864,284	1,006,008
Care Costs	-	-	-	-	-	1,355,259	-	1,355,259	1,369,816
Management costs	9,787	83,189	-	308,827	-	108,302	-	510,105	488,123
Maintenance Administration costs	4,654	39,949	-	76,285	-	115,381	-	236,269	239,223
Planned & Cyclical Maintenance	6,339	54,908	-	88,463	-	22,019	-	171,729	197,630
Reactive Maintenance	2,618	44,750	-	75,432	-	21,357	-	144,157	161,033
Depreciation of Housing Properties	10,215	80,604	-	123,412	-	98,104	-	312,335	315,072
Depreciation of furniture and equipment	86	914	-	2,656	-	1,210	316	5,182	6,704
Component replacements	-	-	-	1,939	-	1,541	-	3,480	18,101
Transfer to/(from) Tenants' Services Fund	(668)	16,323	(7,070)	-	-	-	5,913	14,498	2,940
Bad debts	-	-	-	-	-	-	-	-	-
Total Social Housing Expenditure	35,194	321,095	37,876	1,657,314	381,995	1,723,173	126,471	4,283,118	4,361,051
Operating surplus/(deficit) on social housing	18,331	56,247	(16,323)	151,782	(227,868)	75,231	-	57,400	(418,095)

4. Turnover, operating costs and operating surplus/(deficit) from social housing activities (cont'd)

DfC Allowances	2023	2022
	£	£
Management allowances	3,564	3,564
Management costs	(9,787)	(2,493)
Surplus/ (deficit)	<u>(6,223)</u>	<u>1,071</u>
Maintenance allowances	4,176	4,176
Planned and cyclical maintenance	(6,339)	(3,897)
Reactive maintenance	(2,618)	(3,167)
Surplus/ (deficit)	<u>(4,781)</u>	<u>(2,888)</u>

Technical & Non Technical Income

	2023	2022
	£	£
Technical	2,024,321	1,811,569
Non-Technical	2,076,844	1,850,595
Total	<u>4,101,165</u>	<u>3,662,164</u>

5. Turnover, operating costs and operating surplus/(deficit) from non-social housing activities

	2023	2022
	£	£
Operating Income		
Development	6,598	6,497
Management Services	-	-
Other income	36,758	95,717
Legacy donation received	14,433	503,669
Total Non-Social Housing Income	<u>57,789</u>	<u>605,883</u>
Operating Costs		
Development Costs	6,598	6,497
Management Services Costs	-	-
Other Costs	6,771	97,619
Total Non-Social Housing Expenditure	<u>13,369</u>	<u>104,116</u>
Operating surplus on non-social housing	<u>44,420</u>	<u>501,767</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

6. Surplus on ordinary activities

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

	2023	2022
	£	£
Depreciation – owned tangible fixed assets	317,595	321,882
Amortisation of grant / Release of capital grant	(205,871)	(207,834)
Auditor's remuneration		
- External audit of these financial statements	8,950	10,950
- Internal audit	3,400	2,550
- Non-audit services	-	-

7. Interest payable

	2023	2022
	£	£
Bank overdrafts	-	-
Bank loans	-	-
On housing property loans	-	-
Bank interest and charges	1,135	1,176
	<u>1,135</u>	<u>1,176</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

8. Employee information

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

	2023	2022
	No.	No.
Administration	13	12
Housing & Support	77	70
Care	44	41
	<u>134</u>	<u>123</u>

Staff costs

	2023	2022
	£	£
Wages and salaries	1,981,916	2,040,216
Social security costs	147,203	143,085
Pension costs	57,589	59,906
Agency costs	449,855	529,674
	<u>2,636,563</u>	<u>2,772,881</u>

The aggregate remuneration, including benefits in kind and pension contributions, of key management personnel of the Association, as defined under FRS 102, during the year was:

	2023	2022
	£	£
Aggregate remuneration	<u>306,946</u>	<u>302,818</u>
	<u>306,946</u>	<u>302,818</u>

Emoluments payable to the highest paid employee (excluding pension contributions but including benefits in kind)

	<u>67,452</u>	<u>66,223</u>
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The number of management personnel to whom emoluments (including salary and benefits in kind) were paid during the year falls within each of the following bands:

Salary band:	2023	2022
	£	£
60,000 – 65,000	-	-
65,000 – 70,000	1	1
	<u>1</u>	<u>1</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

9. Board of Management remuneration

There was no remuneration paid to the Board members of the Association (2022: £Nil).
 No board members were paid out of pocket expenses (2022: £Nil).

10. Tangible fixed assets – Housing properties

	Housing properties held for letting £
Cost or valuation	
At 1 April 2022	21,512,643
Additions	132,238
Disposals	(6,297)
At 31 March 2023	<u>21,638,584</u>
Depreciation and impairment	
At 1 April 2022	6,146,500
Charge for the year	312,335
Eliminated on disposal	(6,297)
At 31 March 2023	<u>6,452,538</u>
Net book value	
At 31 March 2023	<u>15,186,046</u>
At 31 March 2022	<u>15,366,143</u>

11. Housing Stock

Number of units owned and managed at year end

Self-Contained	2023 Properties	2022 Properties
General Needs Housing	9	9
Supported Housing	-	-
Sheltered Housing	96	96
Shared Ownership/ Affordable Housing	-	-
	<u>105</u>	<u>105</u>
Non Self-Contained	2023 Bedspaces	2022 Bedspaces
Care Home	39	39
Supported Sheltered Housing	156	156
Sheltered Housing	-	-
	<u>195</u>	<u>195</u>
Total Units Owned and Managed at year end	<u>300</u>	<u>300</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

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

Self-Contained	2023	2022
	Properties	Properties
General Needs Housing	-	-
Supported Housing	-	-
Sheltered Housing	-	-
	<u>-</u>	<u>-</u>
Non Self-Contained	2023	2022
	Bedspaces	Bedspaces
General Needs Housing	-	-
Supported Sheltered Housing	7	7
Sheltered Housing	-	-
	<u>7</u>	<u>7</u>
Total Units Managed at year end	<u><u>7</u></u>	<u><u>7</u></u>

12. Other tangible fixed assets

	Office premises	Furniture and fittings	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2022	248,352	291,026	174,657	714,035
Additions	-	-	14,952	14,952
Disposals	-	-	-	-
At 31 March 2023	<u>248,352</u>	<u>291,026</u>	<u>189,609</u>	<u>728,987</u>
Depreciation				
At 1 April 2022	119,229	291,026	173,144	583,399
Charge for the year	4,880	-	380	5,260
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>124,109</u>	<u>291,026</u>	<u>173,524</u>	<u>588,659</u>
Net book value				
At 31 March 2023	<u>124,243</u>	<u>-</u>	<u>16,085</u>	<u>140,328</u>
At 31 March 2022	<u>129,123</u>	<u>-</u>	<u>1,513</u>	<u>130,636</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

13. Investments

	2023	2022
	£	£
Valuation		
At 1 April 2022	308,175	288,774
Additions	-	-
-Disposals	-	-
-Fair value adjustment	(22,020)	19,401
At 31 March 2023	<u>286,155</u>	<u>308,175</u>
Net book value		
At beginning of year	308,175	288,774
At end of year	<u>286,155</u>	<u>308,175</u>

14. Propertied held for resale

	2023	2022
	£	£
Properties held for resale	435,000	106,856
	<u>435,000</u>	<u>106,856</u>

Properties held for resale is valued at lower of cost and net realisable value.

15. Debtors

	2023	2022
	£	£
Gross rental debtors - Technical	23,175	37,103
Gross rental debtors - Non-Technical	4,358	2,206
Provision for bad debt	(16,197)	(16,197)
Net rental debtors	<u>11,336</u>	<u>23,112</u>
Housing Association Grant receivable	-	-
Prepayments and accrued income	47,482	47,444
Other debtors	314,591	639,319
	<u>373,409</u>	<u>709,875</u>

Abbeyfield & Wesley Housing Association Ltd
Year Ended 31 March 2023

16. Creditors

Amounts falling due within 1 year

	2023	2022
	£	£
Housing Association Grant	205,871	207,834
Accruals and deferred income	139,378	181,832
Rent and service charges received in advance	10,519	29,361
Tenants' Services Fund (schemes undercharged and payable)	42,561	28,064
Other taxes and social security	-	-
Other creditors	105,686	143,605
	<u>504,015</u>	<u>590,696</u>

Amounts falling due after more than 1 year

	2023	2022
	£	£
Housing Association Grant	10,418,816	10,621,637
	<u>10,418,816</u>	<u>10,621,637</u>

17. Deferred grant

	2023	2022
	£	£
At 1 April 2022	10,829,471	11,033,460
Grant received in the year	1,087	3,845
Released to income in the year	(205,871)	(207,834)
Eliminated on component disposals	-	-
Eliminated on housing unit disposals	-	-
At 31 March 2023	<u>10,624,687</u>	<u>10,829,471</u>

Deferred grant is Housing Association Grant (HAG) originally received less accumulated amortisation. This was received to fund all Schemes the Association own.

18. Capital commitments

At 31 March 2023 the Association had capital commitments as follows:

	2023	2022
	£	£
Contracted for but not provided in the financial statements	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

19. 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.

20. Pension commitments – Defined Contribution Pension

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from the Association in an independently administered fund. The Association paid contributions during the year amounting to £57,589 (2022: £59,906). Contributions outstanding at 31 March 2023 amounted to £10,660 (2022: £10,332).

21. Share capital

Ordinary shares of £1 each fully paid:

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

22. Capital reserves

	2023	2022
	£	£
At 1 April 2022	42	33
Transferred to / from revenue reserves	-	9
At 31 March 2023	<u>42</u>	<u>42</u>

23. Related Parties

Worthingtons Solicitors is deemed to be a related party of the Association. During the year there were no direct transactions, and as a result no outstanding balances at the year end, with the firm however from time to time they are appointed to act on the Association's behalf by the Association's insurance company.