

**Registered No: IP000171**

***Covenanter Residential Association Limited***

***Report and Financial Statements***

***For the Year Ended 31 March 2025***

***Covenanter Residential Association Limited***  
***Year Ended 31 March 2025***

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**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Board of Management and Advisers**

**Board of Management**

Nathan Hawthorne (Chair)

Sarah Galway (Secretary)

Diane Wright

Joel Loughridge (Secretary)

Roger Sloan (Treasurer)

Matthew Sampson

Gareth Hughes

Irwin McNeill

Calum Morrison

Rachel Trousdale

Resigned 5<sup>th</sup> September 2024

Resigned as co-optee on 5<sup>th</sup> September 2024

Appointed 5<sup>th</sup> September 2024

Appointed 5<sup>th</sup> September 2024

**Secretary**

Joel Loughridge

**Registered office**

8 Eastermeade Park

Ballymoney

BT53 6HP

**Registered number**

Registered with the Financial Conduct Authority, IP000171

Registered as a housing association with the Department for Communities (Northern Ireland), Registered No R7

Registered as a charity with the Charity Commission for Northern Ireland, NIC107019.

**Statutory Auditors**

Sumer Auditco NI Limited

Glendinning House

6 Murray Street

Belfast, BT1 6DN

**Bankers**

Danske Bank Limited

6 High Street

Ballymoney, BT53 6AD

Danske Bank Ltd

49-51 University Road

Belfast, BT7 1ND

**Solicitors**

King & Gowdy

298 Upper Newtownards Road

Belfast, BT4 3EJ

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Report of the Board of Management for the year ended 31 March 2025**

The Board present their report together with the financial statements for the year ended 31 March 2025.

**Principal activities**

Covenanter Residential Association Limited ('the Association') was formed by Dr Hugh Blair and several members of the Reformed Presbyterian Church of Ireland. The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) (Registered Number IP000171) and is also a registered charity with the Charity Commission (NIC107019).

The objectives of the Association are set out in its rules, namely:

- a. to carry on for the benefit of the community, the business of providing housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and
- b. to provide for aged persons, in need thereof, housing and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons.

The Association is committed to putting residents and tenants first and the Board actively seeks their views and engages with them to ensure governance with real transparency, accountability, and integrity.

The Association registered with the Department of the Environment as a Housing Association and was provided grant funding to purchase land adjacent to Ballymoney Reformed Presbyterian Church and build a flats complex on the site. The flats complex ('Covenanter Flats') opened in 1979.

In the 1980s a further facility was purchased by the Association in Elmwood Avenue, Belfast ('Renwick House') to provide accommodation for young adults.

Covenanter Flats is designated as social housing and provides 27 units of accommodation for the elderly.

Renwick House is not designated as social housing and provides hostel accommodation for 14 young adults. Renwick House is a four-storey terraced house in the University area and is specifically aimed at students and young persons aged 18 to 25 coming to Belfast for the first time for work or study who need safe, short term, serviced accommodation at economic rents. The accommodation comprises fully furnished, single or shared study bedrooms, with ensuite shower rooms.

The Board has full responsibility for the Association's finance and corporate governance. It oversees the daily operation of the Association and ensures it is compliant with and operates within all applicable laws, regulations, and policies. The Board has given due consideration to the Charity Commission's guidance on public benefit and considers the Association's aims and objectives to be in accordance with the regulations on public benefit. The Association complies with DfC Regulatory Standards.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Report of the Board of Management (continued)**

**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: Finance standard, Governance standard and Customer focused. Achieving a balance of progress against the specific targets within these themes will ensure we remain true to our core 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 Department for Communities (DfC), to prioritise areas for focus.

The Board consider 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. There was no annual rent increase in 2024/25 at the Covenanter Flats, Ballymoney and a 7% increase in rent at Renwick House, Belfast.

The Association has always benefitted 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 weekly lunches. This type of practical contribution enables 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;
- Continual review of services and suppliers;
- 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 another Housing Association to combine purchasing power;
- A system of quality assurance checks on work carried out by service providers;
- 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 the right things and doing the right things; and
- Ongoing investment in our properties, ensuring high standard accommodation.

Understanding value for money 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 purpose. The Association is also focused and determined to secure VfM into the future.

We will continue to review opportunities for VfM in 2025/26, with the assistance of Cannon Associates Limited, Chartered Accountants, coupled with ongoing benchmarking within the sector.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Report of the Board of Management (continued)**

**Going Concern**

The Board has assessed its 24-month Forecasts under various scenarios, including a significant increase in inflation and energy 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.

**Financial results**

The surplus for the year was £50,413 compared to a surplus of £45,143 for the previous year.

**Regulation**

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

Under the Regulatory Framework for Registered Housing Association in Northern Ireland (RHAs), RHAs are assessed annually against 3 standards namely: Governance, Finance and Consumer.

In the Association's most recent Regulatory Judgement Report 2022/23, Housing Regulation Branch determined a judgement rating of 2; meets the requirements but needs to improve in some areas to ensure continued compliance. The Governance, Finance and Consumer standards were all met. The Housing Regulation Branch has made some recommendations to enhance the Association's compliance with the standards and an action plan has been submitted to the Housing Regulation Branch setting out how the Association is responding to the recommendations. The anticipated Level of Engagement for 2023/24 is Level 1.

**Internal controls**

The Board of Management is responsible for the Association's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage and reduce, rather than to eliminate, the risk of failure to achieve business objectives. It can provide only reasonable, and not absolute, assurance against material misstatement or loss.

We operate ongoing processes for identifying, evaluating, and managing the significant risks faced by the Association. They have been in place for the year to 31 March 2025 and up to the date of the approval of the Annual Report and the Financial Statements. The processes are reviewed at least annually by the Board.

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 organisation structure with clearly defined lines of responsibility and delegation of authority; and
- Detailed budgets are prepared covering the Association's business which are reviewed and approved by the Board of Management. Actual results are compared against budget and appropriate action identified and initiated.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Report of the Board of Management (continued)**

**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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

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

**Statement of disclosure to auditors**

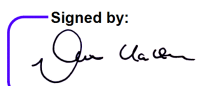
So far as each of the members of the Board of Management are aware at the date of approval of these financial statements:

- there is no relevant audit information of which the Association's auditors are unaware; and
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

**Auditors**

A resolution to reappoint Sumer Auditco NI Limited will be proposed at the Annual General Meeting.

On behalf of the Board of Management

Signed by:  
  
0CE157BF6A6840E...

Nathan Hawthorne  
Chair

Signed by:  
  
87778A960E4C491...

Roger Sloan  
Treasurer

Date: 4<sup>th</sup> September 2025

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Independent auditors' report to the members of Covenanter Residential Association Limited**

**Opinion**

We have audited the financial statements of Covenanter Residential Association Limited ("the Association") for the year ended 31 March 2025 which comprise: the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and the related notes, which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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.

In our opinion, the Consolidated and Association financial statements:

- give a true and fair view of the state of the affairs of the Association as at 31 March 2025 and of the income and expenditure of the Association 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 for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the auditors' responsibility 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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

***Covenanter Residential Association Limited***  
***Year Ended 31 March 2025***

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.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Board of Management are responsible for the other information contained within the Annual Report. 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 doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and the Strategic Report.

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

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

- 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Management is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

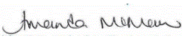
We considered the opportunities and incentives that may exist within the Association for fraud and identified the greatest potential for fraud in the following areas: management override of controls, including relating to posting of journals. To address those risks we discussed the risks with client management and tested a sample of journals to confirm they were appropriate.

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

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Use of our report**

This report is made solely to the Board of Management in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) and article 19 of The Housing (Northern Ireland) Order 1992. Our audit work has been undertaken so that we might state to the Board of Management those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Board of Management, for our audit work, for this report, or for the opinions we have formed.

Signed by:  
  
0ABF844AC8B44A4...

**Amanda McMaw**  
**Senior Statutory Auditor**  
**for and on behalf of Sumer Auditco NI Limited**  
**Statutory Auditors**  
**4<sup>th</sup> Floor**  
**Glendinning House**  
**6 Murray Street**  
**Belfast**  
**BT1 6DN**

**4<sup>th</sup> September 2025**

***Covenanter Residential Association Limited***  
***Year Ended 31 March 2025***

**Statement of Comprehensive Income**

**For the year ended 31 March 2025**

	<b>Notes</b>	<b>2025</b>	2024
		<b>£</b>	£
Turnover	<b>3</b>	<b>288,952</b>	283,682
Operating costs	<b>3</b>	<b>(238,539)</b>	(238,539)
<b>Operating surplus</b>	<b>3</b>	<b>50,413</b>	45,143
Interest and financing income		-	-
<b>Surplus for the year</b>		<b>50,413</b>	45,143

The results relate wholly to continuing activities.

There was no other comprehensive income for the year (2024: £nil).

The notes on pages 14 to 25 form part of these financial statements.

***Covenanter Residential Association Limited***  
***Year Ended 31 March 2025***

**Statement of Changes in Equity**

**For the year ended 31 March 2025**

	<b>Share Capital</b>	<b>Capital reserve</b>	<b>Revenue reserve</b>	<b>2025 Total</b>	<b>2024 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 April 2024	22	102	412,814	<b>412,938</b>	<b>367,793</b>
Surplus	-	-	50,413	<b>50,413</b>	<b>45,143</b>
Movement in share capital	2	2	-	<b>4</b>	<b>2</b>
<b>Balance at 31 March 2025</b>	<b>24</b>	<b>104</b>	<b>463,227</b>	<b>463,355</b>	<b>412,938</b>

The notes on pages 14 to 25 form part of these financial statements.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Statement of Financial Position**

**As at 31 March 2025**

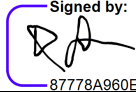
	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Housing properties	8	985,528	997,182
Other tangible fixed assets	10	29,843	28,062
		<u>1,015,371</u>	<u>1,025,244</u>
<b>Current assets</b>			
Trade and other debtors	11	14,136	25,410
Cash and cash equivalents		416,369	381,170
		<u>430,505</u>	<u>406,580</u>
Less: Creditors: amounts falling due within one year	12	123,212	132,311
<b>Net current assets / liabilities</b>		<u>307,293</u>	<u>274,269</u>
<b>Total assets less current liabilities</b>		<u>1,322,664</u>	<u>1,299,513</u>
Creditors: amounts falling due after more than one year	12	859,309	886,575
<b>Total net assets</b>		<u>463,355</u>	<u>412,938</u>
<b>Reserves</b>			
Share capital	16	24	22
Revenue reserve	17	463,227	412,814
Capital reserve	18	104	102
<b>Total reserves</b>		<u>463,355</u>	<u>412,938</u>

These financial statements were approved by the Board of Management and authorised for issue on 4<sup>th</sup> September 2025 and are signed on its behalf by:

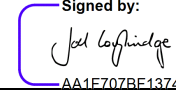
Nathan Hawthorne  
 Director (Chair)

Signed by:   
 0CE157BE6A6840E

Roger Sloan  
 Director (Treasurer)

Signed by:   
 87778A960E4C491...

Joel Loughridge  
 Director (Secretary)

Signed by:   
 AA1E707BE137424

The notes on pages 14 to 25 form part of these financial statements.

Registered No: IP000171

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Statement of Cashflows**

**For the year ended 31 March 2025**

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>			
Surplus for the year		50,413	45,143
<b>Adjustments for non-cash items:</b>			
Depreciation of tangible fixed assets	8,10	32,278	32,483
Amortisation of housing association grant	13	(27,267)	(27,857)
Decrease / (increase) in trade and other debtors	11	11,274	(1,497)
Increase / (decrease) in trade and other creditors	12	(9,098)	27,031
<b>Adjustments for investing or financing activities:</b>			
Interest received		-	-
<b>Net cash used in operating activities</b>		<b>57,600</b>	<b>75,303</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	8,10	(22,405)	(2,460)
Interest received		-	-
<b>Net cash generated from investing activities</b>		<b>(22,405)</b>	<b>(2,460)</b>
<b>Cash flow from financing activities</b>			
Share capital issued	16	4	2
<b>Net cash used in financing activities</b>		<b>4</b>	<b>2</b>
<b>Net change in cash and cash equivalents</b>		<b>35,199</b>	<b>72,845</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>381,170</b>	<b>308,325</b>
<b>Cash and cash equivalents at end of the year</b>		<b>416,369</b>	<b>381,170</b>

The notes on pages 14 to 25 form part of these financial statements.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**Notes to the financial statements**

**1. Legal status**

Covenanter Residential 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 8 Eastermeade Park, Ballymoney, BT53 6HP.

**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 income receivable from lettings, service charge receivable and income from Housing Association Grant (HAG).

**2.3 Taxation**

The Association is accepted as a charity by 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 its income, including rental receipts, is exempt for VAT purposes.

**2.4 Government and other grants**

HAG is receivable from the Northern Ireland Housing Executive (NIHE) and is recognised in income over the useful life of the housing property assets under the accruals model.

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.

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.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

## **2.5 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 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. Land is not depreciated.

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

Structure / main fabric	- 100 years
Roof	- 60 years
Windows and doors	- 30 years
Primary heating unit	- 14 years
Kitchen	- 20 years
Bathroom	- 30 years
Mechanical systems	- 30 years
Electrics	- 40 years
Lifts	- 20 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 as follows:

Buildings	- 50 years
Fixtures and fittings	- 5 years

## **2.6 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

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

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.

**2.7 Employee benefits****Defined Contribution Pension**

The Association operates a defined contribution scheme for certain employees through True Potential. 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.

**2.8 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.

**2.9 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 judgements have been made in the process of applying the above accounting policies (apart from those involving estimates). The following estimate has been made:

- (i) Useful economic lives of components of housing properties – this estimate has been derived using industry standards.

**2.11 Going concern**

The Board has assessed its 24-month Forecasts under various scenarios, including a significant increase in inflation and energy 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.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**3. Turnover, Operating costs and operating surplus**

	<b>Operating Turnover</b>	<b>2025 Operating Costs</b>	<b>Operating Surplus</b>	<b>2024 Operating Surplus</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Social Housing Activities (Note 4)	221,961	208,099	13,862	12,660
Non-Social Housing Activities (Note 4)	66,991	30,440	36,551	32,483
	<b>288,952</b>	<b>238,539</b>	<b>50,413</b>	<b>45,143</b>

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

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

	<b>Sheltered Housing</b>	<b>2025 Non-Social Housing*</b>	<b>Total</b>	<b>2024 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Operating Income</b>				
Rent Receivable	127,304	64,300	191,604	202,019
Service Charges Receivable	74,659	-	74,659	63,355
Rates Receivable	12,974	-	12,974	11,298
Income from SHG/HAG	24,576	2,691	27,267	27,857
Less: Voids	(17,552)	-	(17,552)	(20,847)
<b>Total Social Housing Income</b>	<b>221,961</b>	<b>66,991</b>	<b>288,952</b>	<b>283,682</b>
<b>Operating Costs</b>				
Service Costs	58,370	8,737	67,107	69,270
Management costs	9,112	3,610	12,722	12,358
Rates Payable	9,935	-	9,935	9,430
Cyclical Maintenance	12,782	1,187	13,969	17,178
Planned Maintenance	8,196	435	8,631	5,898
Reactive Maintenance	7,445	2,514	9,959	9,485
Depreciation of Housing Properties	23,710	5,519	29,229	29,908
Other Depreciation	3,049	-	3,049	2,575
Other Operating Costs	65,491	8,438	73,929	85,116
Transfer from/(to) Tenants' Services Fund (note 14)	10,009	-	10,009	(2,679)
<b>Total Social Housing Expenditure</b>	<b>208,099</b>	<b>30,440</b>	<b>238,539</b>	<b>238,539</b>
<b>Operating surplus/(deficit)</b>	<b>13,862</b>	<b>36,551</b>	<b>50,413</b>	<b>45,143</b>

\*Non-Social Housing Operating Income is classed as Rent receivable from occupied units and has not been split into Rent, Rates, Service Charge and Voids.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>DfC Allowances</b>		
Management allowances	10,692	10,692
Management costs	(9,112)	(8,970)
<b>Surplus</b>	<b><u>1,580</u></b>	<b><u>1,722</u></b>
Maintenance allowances	12,528	12,528
Planned and cyclical maintenance	(20,978)	(21,498)
Reactive maintenance	(7,445)	(7,090)
<b>Deficit</b>	<b><u>(15,895)</u></b>	<b><u>(16,060)</u></b>

**Technical & Non-technical income**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Technical	18,121	22,258
Non-Technical	261,116	254,414
<b>Total</b>	<b><u>279,237</u></b>	<b><u>276,672</u></b>

**5. Surplus on ordinary activities**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Depreciation – owned tangible fixed assets	32,278	32,483
Amortisation of HAG	(27,267)	(27,857)
Auditor's remuneration		
- External audit of these financial statements	9,000	9,000
- Internal audit services	1,785	1,785

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**6. Employee information**

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

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Housing, support and care	1.57	1.57
	<b>1.57</b>	<b>1.57</b>

Staff costs

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	35,277	32,505
Social security costs**	-	-
Pension costs	399	373
	<b>35,676</b>	<b>32,878</b>

\*\*Social security costs 2025 and 2024 are £nil as they were lower than the annual Employment Allowance.

**7. Board of Management remuneration**

The function of the key management personnel of the Association is carried out by the Board of Management. There was no remuneration paid to the board members of the Association (2024: £nil). Board members were paid out of pocket expenses totalling £110 (2024: £107).

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**8. Tangible fixed assets – Housing properties**

	<b>Housing properties held for letting £</b>
<b>Cost or valuation</b>	
At 1 April 2024	2,047,225
Additions	17,575
Disposals	-
At 31 March 2025	<u><b>2,064,800</b></u>
<b>Depreciation and impairment</b>	
At 1 April 2024	1,050,043
Charge for the year	29,229
Eliminated on disposal	-
At 31 March 2025	<u><b>1,079,272</b></u>
<b>Net book value</b>	
At 31 March 2025	<u><b>985,528</b></u>
At 31 March 2024	<u>997,182</u>

**9. Housing Stock**

**Number of units owned and managed at year end**

<b>Self-Contained</b>	<b>2025</b>	<b>2024</b>
	<b>Units</b>	<b>Units</b>
Sheltered Housing	27	27
<b>Total Self-Contained Units at year end</b>	<u><b>27</b></u>	<u><b>27</b></u>
<b>Not Self-Contained</b>	<b>2025</b>	<b>2024</b>
	<b>Units</b>	<b>Units</b>
General Needs Housing (non-social housing)	14	14
<b>Total Not Self-Contained at year end</b>	<u><b>14</b></u>	<u><b>14</b></u>
<b>Total Units Owned and Managed at year end</b>	<u><b>41</b></u>	<u><b>41</b></u>

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**10. Other tangible fixed assets**

	<b>Buildings</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 April 2024	123,123	6,313	129,436
Additions	4,830	-	4,830
Disposals	-	-	-
At 31 March 2025	<u><b>127,953</b></u>	<u><b>6,313</b></u>	<u><b>134,266</b></u>
<b>Depreciation</b>			
At 1 April 2024	97,396	3,978	101,374
Charge for the year	2,557	492	3,049
Eliminated on disposal	-	-	-
At 31 March 2025	<u><b>99,953</b></u>	<u><b>4,470</b></u>	<u><b>104,423</b></u>
<b>Net book value</b>			
At 31 March 2025	<u><b>28,000</b></u>	<u><b>1,843</b></u>	<u><b>29,843</b></u>
At 31 March 2024	<u>25,727</u>	<u>2,335</u>	<u>28,062</u>

**11. Debtors**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Gross rental debtors – technical	696	454
Gross rental debtors – non-technical	2,498	1,548
Net rental debtors	<u>3,194</u>	<u>2,002</u>
Prepayments and accrued income	3,008	5,466
Tenant Services Fund (undercharged and recoverable) (note 14)	6,931	16,940
Other debtors	1,003	1,002
	<u><b>14,136</b></u>	<u><b>25,410</b></u>

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**12. Creditors**

Amounts falling due within 1 year

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deferred Housing Association Grant (note 13)	27,267	27,268
Accruals and deferred income	52,094	25,355
Rent and service charges received in advance	1,088	2,212
Trade payables	38,119	71,515
Tenants' deposits	1,300	1,400
Other creditors	3,344	4,561
	<b><u>123,212</u></b>	<b><u>132,311</u></b>

Amounts falling due after more than 1 year

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deferred Housing Association Grant (note 13)	859,309	886,575
	<b><u>859,309</u></b>	<b><u>886,575</u></b>

**13. Deferred grant**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
At 1 April 2024	913,843	941,700
Released to income in the year	(27,267)	(27,857)
At 31 March 2025	<b><u>886,576</u></b>	<b><u>913,843</u></b>

Deferred grant consists of Housing Association Grant (HAG) originally received less accumulated amortisation. HAG is amortised over the life of the associated assets in line with the Housing SORP. Although the unamortised HAG liability reported is £886,576 the liability to repay this HAG to the Department for Communities expired in May 2019.

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**14. Tenants' Services Fund**

	<b>Sheltered Housing £</b>
<b>Income</b>	
Service Charge Income	74,659
Service Charge Voids	<u>(6,280)</u>
<b>Total Income</b>	<b><u>68,379</u></b>
<b>Operating Costs</b>	
Cleaning	780
Electricity	10,930
Gas Heating	12,196
Ground Maintenance	4,582
Maintenance of Communal Areas	2,617
Support/emergency response system	2,062
Salaries	19,499
Pensions Costs	398
Administration cost	<u>5,306</u>
<b>Total Operating Costs</b>	<b><u>58,370</u></b>
<b>Surplus for the year</b>	<b><u>10,009</u></b>
At 1 April 2024	(16,940)
Surplus for the year	<u>10,009</u>
At 31 March 2025	<b><u>(6,931)</u></b>

**15. Contingent Liabilities**

**HAG Liability**

The liability to reimburse the Department for Communities expired in May 2019.

**16. Share capital**

Ordinary shares of [£1] each fully paid:

	<b>2025 £</b>	<b>2024 £</b>
At 1 April 2024	22	20
Issued in the year	4	2
Transferred to capital reserve	<u>(2)</u>	<u>-</u>
At 31 March 2025	<b><u>24</u></b>	<b><u>22</u></b>

**Covenanter Residential Association Limited**  
**Year Ended 31 March 2025**

**17. Revenue reserves**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
At 1 April 2024	412,814	367,671
Surplus for the year	50,413	45,143
At 31 March 2025	<u><b>463,227</b></u>	<u><b>412,814</b></u>

**18. Capital reserves**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
At 1 April 2024	102	102
Transferred from share capital	2	-
At 31 March 2025	<u><b>104</b></u>	<u><b>102</b></u>

**19. Related party transactions**

Board members were paid out of pocket expenses totalling £110 (2024: £107). All expenditure relates to the reimbursement of expenses to enable members to perform their duties and all such expenditure occurs under normal operating terms. There were no other related party transactions.

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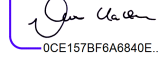
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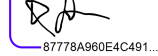
Roger Sloan

rsloan137@hotmail.com

Director

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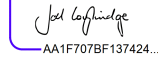
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