

**WOODVALE & SHANKILL COMMUNITY HOUSING
ASSOCIATION LIMITED**

**REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2022

Woodvale & Shankill Community Housing Association Limited

Annual Report and Financial Statements for the year ended 31 March 2022

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Woodvale & Shankill Community Housing Association Limited

Association Information

Board

Mr T Fuller (Chairperson)
Mr G Courtney
Mr W Johnston
Mr F Agnew
Mrs S Chambers
Mr C Campbell

Secretary

Mrs S Chambers

Registered Office

91-95 Woodvale Road
Belfast
BT13 3BP

Registered under the Industrial and Provident Societies
Act (Northern Ireland) 1969 IP 167

Registered with the DSD (NI) R15

Registered with the Charity Commission for Northern Ireland
NIC 100843

HMRC charity registration XN45225

Auditors

MTS Chartered Accountants
1 Lanyon Quay
Belfast
BT1 3LG

Principal Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Solicitors

Clyde & Co
51 Adelaide Street
Belfast
BT2 8FE

Woodvale & Shankill Community Housing Association Limited

Report of the Board for the year ended 31 March 2022

The Board presents its report together with the financial statements for the year ended 31 March 2022.

Principal Activities

The Group provides social housing accommodation for those in need, affordable housing and energy supplies.

Results

The surplus on ordinary activities for the year was £639,137 compared with a surplus of £825,445 for the previous year.

Corporate Governance

In the opinion of the Board, the Association is in compliance with the Best Practice issued by the NHF Code of Governance.

Board of Management

The Board meets throughout the year and has committees with specific responsibilities for housing, finance and audit.

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 the Board continues to adopt the going concern basis in preparing the financial statements.

Internal Financial Control

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:

- 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.
- Detailed budgets are prepared covering the Association's businesses which are reviewed and approved by the Board. Actual results are compared against budget and appropriate action identified and initiated.
- The Board reviews matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from senior management.
- The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing, has been in place for the year under review and up to the date of approval of the annual report and accounts, and is regularly reviewed by the Board.

Woodvale & Shankill Community Housing Association Limited

Report of the Board for the year ended 31 March 2022 *(continued)*

Board's responsibilities

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year 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 these statements the Board is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the members of the Board is aware:

- there is no relevant information of which the Association's auditors are unaware
- they have taken all reasonable steps that they ought to have taken, as members of the Board, 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 MTS Chartered Accountants will be proposed at the Annual General Meeting.

By order of the board



Chairperson

Belfast

Date: 27th September 2022

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2022

We have audited the financial statements of Woodvale & Shankill Community Housing Association Ltd for the year ended 31 March 2022 which comprise the consolidated and association statement of comprehensive income, the consolidated and association statement of changes in reserves, the consolidated and association statement of financial position, the consolidated 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 UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the group and association financial statements:

- give a true and fair view of the state of the group and association's affairs as at 31 March 2022 and of the group and association's surplus, and of the group's cashflows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law)";
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.
- have been properly prepared in accordance with the requirements of the Charities Act (Northern Ireland) 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

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' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

The Association's Board of Management have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Association's business model and analysed how those risks might affect the Group and the Association's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Association's Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Association's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2022 (continued)

Our responsibilities and the responsibilities of the Association's Board of Management with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Association will continue in operation.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Under the Charities (Northern Ireland) Act 2008 and Regulation 9 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 we are required to report to you if, in our opinion:

- the information given in the Report of the Board of Management and the Strategic Report 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 these respects.

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2022 (continued)

Responsibilities of board

As explained more fully in the board's responsibilities statement, the board members (who are also the trustees of the association for the purposes of charity law) are 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 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 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 either intends to liquidate the association or to cease operations, or has 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 accounts 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Extent to which the audit was capable of detecting irregularities, including fraud

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 identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Association's Board of Management. In addition, our risk assessment procedures included: inquiring with the Association's Board of Management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including co-operative and community benefit society, charity and financial reporting legislation including specific disclosures required by housing legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

Woodvale & Shankill Community Housing Association Limited

Independent Auditors' Report to the Members for the Year Ended 31 March 2022 *(continued)*

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Association's Board of Management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, as a body, in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. Our audit work has been undertaken so that we might state to the association's board those matters we are required to state to them in an auditor's 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 association's board as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr Richard McClay FCA
Senior Statutory Auditor
For and on behalf of:
MTS Chartered Accountants

1 Lanyon Quay
Belfast
BT1 3LG

Date:
27th September 2022

Woodvale & Shankill Community Housing Association Limited

Consolidated Statement of Comprehensive Income Year ended 31 March 2022

	Notes	2022	2021
		£	£
Turnover	1.2	2,308,480	2,384,766
Operating costs	2	(1,622,624)	(1,546,864)
Operating Surplus	5	685,856	837,902
Interest receivable	3	2,489	1,172
Interest and finance costs	4	(8,208)	(12,629)
Additional pension service cost	15	(31,000)	5,000
Other finance income/(costs)	15	(10,000)	(6,000)
Surplus on Ordinary Activities		639,137	825,445
Re-measurement: Actuarial (loss)/gain on pension scheme	15	152,000	(234,000)
Surplus for the Financial Year	18	791,137	591,445

The turnover and expenses all relate to continuing operations of the Group.

Consolidated Statement of Changes in Reserves Year ended 31 March 2022

	Notes	2022	2021
		£	£
Surplus for the year		791,137	591,445
Movement in share capital		-	-
Movement in capital reserves		-	-
Net addition to capital and reserves		791,137	591,445
Opening total capital and reserves		15,960,327	15,368,882
Closing total capital and reserves		16,751,464	15,960,327

Woodvale & Shankill Community Housing Association Limited

Association Statement of Comprehensive Income Year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	1.2	2,235,191	2,280,790
Operating costs	2	(1,532,323)	(1,435,762)
		<hr/>	<hr/>
Operating Surplus	5	702,868	845,028
Interest receivable	3	5,783	65,416
Interest and finance costs	4	(8,208)	(12,629)
Additional pension service cost	15	(31,000)	5,000
Other finance income (costs)	15	(10,000)	(6,000)
		<hr/>	<hr/>
Surplus on Ordinary Activities		659,443	896,815
Actuarial (loss)/gain on pension scheme	15	152,000	(234,000)
		<hr/>	<hr/>
Surplus for the Financial Year	18	811,443	662,815
		<hr/> <hr/>	<hr/> <hr/>

The turnover and expenses all relate to continuing operations of the Association.

Association Statement of Changes in Reserves Year ended 31 March 2022

	Notes	2022 £	2021 £
Surplus for the year		811,443	662,815
Movement in share capital		-	-
Movement in capital reserves		-	-
		<hr/>	<hr/>
Net addition to capital and reserves		811,443	662,815
Opening total capital and reserves		16,208,979	15,546,164
		<hr/>	<hr/>
Closing total capital and reserves		17,020,422	16,208,979
		<hr/> <hr/>	<hr/> <hr/>

Woodvale & Shankill Community Housing Association Limited

Consolidated Statement of Financial Position As at 31 March 2022

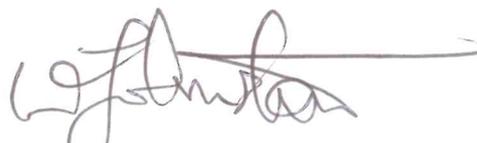
	Notes	2022 £	2021 £
Tangible Fixed Assets			
Housing land and buildings:	8	29,702,418	29,400,660
Other fixed assets	9	934,641	879,222
		<u>30,637,059</u>	<u>30,279,882</u>
Current Assets			
Trade and other debtors	11	324,526	367,574
Cash and cash equivalents		1,128,576	897,218
		<u>1,453,102</u>	<u>1,264,792</u>
Creditors: Amounts Falling Due Within One Year	12	<u>(1,126,904)</u>	<u>(1,127,481)</u>
Net Current Assets		<u>326,198</u>	<u>137,311</u>
Total Assets Less Current Liabilities		<u>30,963,257</u>	<u>30,417,193</u>
Creditors: Amounts Falling Due After More Than One Year			
Creditors	12	13,790,793	13,924,866
Provision for liabilities	15	421,000	532,000
		<u>14,211,793</u>	<u>14,456,866</u>
Total Net Assets		<u>16,751,464</u>	<u>15,960,327</u>
Capital and Reserves			
Share capital	16	49	49
Capital reserves	17	14	14
Revenue reserves	18	16,751,401	15,960,264
Total Reserves		<u>16,751,464</u>	<u>15,960,327</u>

The financial statements on pages 6 to 25 were approved by the Board and are signed on their behalf by:



Chair

Date: 27th September 2022



Board Member

Woodvale & Shankill Community Housing Association Limited

Association Statement of Financial Position As at 31 March 2022

	Notes	2022 £	2021 £
Tangible Fixed Assets			
Housing land and buildings:	8	27,592,361	26,746,658
Other fixed assets	9	885,310	829,293
Investments	10	2,477,198	2,719,902
		<u>30,954,869</u>	<u>30,295,853</u>
Current Assets			
Trade and other debtors	11	260,365	572,050
Cash and cash equivalents		1,080,804	856,804
		<u>1,341,169</u>	<u>1,428,854</u>
Creditors: Amounts Falling Due Within One Year	12	(1,104,954)	(1,108,862)
Net Current Assets		<u>236,215</u>	<u>319,992</u>
Total Assets Less Current Liabilities		<u>31,191,084</u>	<u>30,615,845</u>
Creditors: Amounts Falling Due After More Than One Year			
Creditors	12	13,749,662	13,874,866
Provision for liabilities	15	421,000	532,000
		<u>14,170,662</u>	<u>14,406,866</u>
Total Net Assets		<u>17,020,422</u>	<u>16,208,979</u>
Capital and Reserves			
Share capital	16	49	49
Capital reserves	17	14	14
Revenue reserves	18	17,020,359	16,208,916
Total Reserves		<u>17,020,422</u>	<u>16,208,979</u>

The financial statements on pages 6 to 25 were approved by the Board and are signed on their behalf by:



Chair
Date: 27th September 2022



Board Member

Woodvale & Shankill Community Housing Association Limited

Consolidated Statement of Cashflows Year ended 31 March 2022

		2022	2021
	Notes	£	£
Net cash generated from operating activities	22	974,969	967,355
Cashflow from financing activities	22	(5,719)	(11,457)
Cashflow from investing activities	22	(688,288)	(397,279)
		<hr/>	<hr/>
		280,962	558,619
Financing		(49,604)	13,346
Decrease in cash and cash equivalents		<hr/>	<hr/>
		231,358	571,965
Cashflow from (increase) decrease in debt		49,604	(13,346)
Cash and cash equivalents at start of year		747,841	189,222
Cash and cash equivalents at end of year		<hr/> <hr/>	<hr/> <hr/>
		1,028,803	747,841

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared on the historical cost basis and in compliance with FRS 102, The Financial Reporting Standard applicable in the UK and the Housing SORP 2014:Statement of Recommended Practice for Social Housing Providers.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts are rounded to the nearest £.

The Association is a company limited by shares incorporated in Northern Ireland. The registered office is situated at 91-95 Woodvale Road, Belfast, BT13 3BP.

1.2 Turnover

Turnover represents rental income, heating charges, heating incentive income, service charges receivable net of voids and the release of capital grants, and is recognised in the period to which it relates.

1.3 Other Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets at the following annual rates:

Furniture and equipment	: 10% - 33 1/3%
Plant & equipment	: 20%

1.4 Housing Properties

Housing properties are stated at cost less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. All development costs directly attributable to bringing properties into management are identified and capitalised to schemes in construction during the year, this includes capitalising interest payments.

Expenditure on improvements to existing properties, which enhances the economic benefits of the property or extends its useful life, is capitalised as part of the cost of the property. Other maintenance expenditure is written off to the Income and Expenditure Account as it is incurred.

Depreciation is charged on a straight-line basis over varying timescales, depending on the estimated useful life of the individual components. The major components and their estimated useful lives are listed below.

Land	Not depreciated
Structure (including roof)	100 years
Kitchen	20 years
Bathroom	25 years
Heating boiler	10 years
Heating system	30 years
Windows and doors	35 years
Electrics	35 years

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down charged to operating surplus.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies *(continued)*

1.5 Housing Association Grant

Grant received for property has been included under long term liabilities and is amortised over the estimated useful life of the component to which it relates on the same basis as the depreciation charge listed above. Such grants may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

1.6 Investments

Investments in subsidiary companies are recorded at cost.

1.7 Retirement Benefits

The Association participates in the NILGOSC defined benefit pension scheme. The underlying assets and liabilities of the scheme attributable to Woodvale & Shankill Community Housing are held separately from those of the Association. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value. Assets are measured at market value at the balance sheet date. As a result the Association either recognises the scheme deficit on the balance sheet at the year end, or in the case of an asset position, does not recognise this on the balance sheet, on the grounds of prudence. Actuarial gains and losses are included in the statement of comprehensive income. Current and past service costs, curtailments and settlements are recognised within operating surplus. Returns on scheme assets and interest on obligations are recognised as other finance costs.

1.8 Disposal Proceeds Fund

Surpluses from disposal of housing properties, including the Voluntary Purchase Grant, are transferred to the Disposal Proceeds Fund. The association is required to apply these surpluses within a specified period to housing projects as Recycled Housing Association Grant.

1.9 Tenants' Services Fund

For certain schemes the Association is required to charge the tenants for additional services provided, over and above those of the normal management and maintenance services. The Association levies an additional charge to the tenants for this. Annual deficits are absorbed into operating surplus.

1.10 Operating leases

Costs under operating leases are charged to the income and expenditure account in the period to which they relate. Outstanding commitments are disclosed in the notes to the financial statements.

1.11 Group Accounts

The financial statements present information about the association as an individual undertaking and about its group.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies *(continued)*

1.12 Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Judgement and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.14 Cash and Cash Equivalents

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

1.15 Financial Instruments

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Woodvale & Shankill Community Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies (continued)

1.15 Financial Instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.16 Going Concern

The financial statements have been prepared under the going concern basis.

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

	Group		Association	
	2022	2021	2022	2021
2 Operating Costs	£	£	£	£
Direct costs	1,098,331	1,096,218	1,048,976	1,049,317
Administrative expenses	524,293	450,646	483,347	386,445
	<u>1,622,624</u>	<u>1,546,864</u>	<u>1,532,323</u>	<u>1,435,762</u>
3 Interest Receivable				
Interest receivable	<u>2,489</u>	<u>1,172</u>	<u>5,783</u>	<u>65,416</u>
4 Interest and Finance Costs				
Bank charges	946	946	946	946
Housing loans	7,262	11,683	7,262	11,683
	<u>8,208</u>	<u>12,629</u>	<u>8,208</u>	<u>12,629</u>
5 Surplus On Ordinary Activities Before Taxation				
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation	513,055	531,212	463,700	484,311
Grant released	(251,791)	(254,774)	(251,791)	(254,774)
Auditors' remuneration - audit work	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
6 Taxation				
No provision for current or deferred taxation is necessary due to the charitable status of the Association.				
7 Employee Information	2022	2021	2022	2021
The average weekly number of persons employed during the year was:	No.	No.	No.	No.
Office	11	11	10	10
Support staff	11	12	11	12
Maintenance staff	12	14	1	3
	<u>34</u>	<u>37</u>	<u>22</u>	<u>25</u>
Staff costs	£	£	£	£
Salaries	706,177	715,978	435,304	450,537
Social security costs	53,431	54,719	35,885	36,414
Other pension costs	59,264	55,501	56,513	52,545
	<u>818,872</u>	<u>826,198</u>	<u>527,702</u>	<u>539,496</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

7 Employee Information *continued* - Management Team's Emoluments

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Management Services				
Equivalent aggregate emoluments (excluding VAT)	93,055	90,342	93,055	90,342
	=====	=====	=====	=====
Senior Staff				
Aggregate emoluments	106,206	101,872	106,206	101,872
Pension costs	-	-	-	-
	-----	-----	-----	-----
	106,206	101,872	106,206	101,872
	=====	=====	=====	=====
Banding				
£50,000 - £60,000	2	2	2	2
	=====	=====	=====	=====

Board Members' Emoluments

Board Members act in a voluntary capacity and none were in receipt of emoluments or expenses during the year.

8 Tangible Fixed Assets - Housing Land and Buildings

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Cost				
At 1 April	36,907,687	36,472,747	34,095,457	33,838,048
Additions	938,490	531,899	1,445,788	354,368
Disposals	(243,578)	(96,959)	(243,578)	(96,959)
	-----	-----	-----	-----
At 31 March	37,602,599	36,907,687	35,297,667	34,095,457
	-----	-----	-----	-----
Completed	32,146,593	32,146,593	28,992,597	29,334,109
	-----	-----	-----	-----
Work in progress	5,456,006	4,761,094	6,305,070	4,761,348
	-----	-----	-----	-----
Depreciation				
At 1 April	7,507,027	7,068,095	7,348,799	6,946,514
Charge for year	467,947	473,620	431,300	436,973
Disposals	(74,793)	(34,688)	(74,793)	(34,688)
	-----	-----	-----	-----
At 31 March	7,900,181	7,507,027	7,705,306	7,348,799
	-----	-----	-----	-----
Net Book Value				
At 31 March	29,702,418	29,400,660	27,592,361	26,746,658
	=====	=====	=====	=====

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

9 Other Tangible Fixed Assets - Group

	Tenants' furnishings/ equipment	Motor vehicles and plant	Office premises and equipment	Total
Cost	£	£	£	£
At 1 April 2021	121,954	123,981	954,309	1,200,244
Additions	64,374	12,110	24,043	100,527
Disposals	-	-	-	-
At 31 March 2022	<u>186,328</u>	<u>136,091</u>	<u>978,352</u>	<u>1,300,771</u>
Depreciation				
At 1 April 2021	65,515	66,128	189,379	321,022
Charge for year	13,314	17,332	14,462	45,108
Disposals	-	-	-	-
At 31 March 2022	<u>78,829</u>	<u>83,460</u>	<u>203,841</u>	<u>366,130</u>
Net Book Value				
At 31 March 2022	<u>107,499</u>	<u>52,631</u>	<u>774,511</u>	<u>934,641</u>
At 31 March 2021	<u>56,439</u>	<u>57,853</u>	<u>764,930</u>	<u>879,222</u>

Other Tangible Fixed Assets - Association

	Tenants' furnishings/ equipment	Motor vehicles and plant	Office premises and equipment	Total
Cost	£	£	£	£
At 1 April 2021	121,954	35,220	954,309	1,111,483
Additions	64,374	-	24,043	88,417
Disposals	-	-	-	-
At 31 March 2022	<u>186,328</u>	<u>35,220</u>	<u>978,352</u>	<u>1,199,900</u>
Depreciation				
At 1 April 2021	65,515	27,296	189,379	282,190
Charge for year	13,314	4,624	14,462	32,400
Disposals	-	-	-	-
At 31 March 2022	<u>78,829</u>	<u>31,920</u>	<u>203,841</u>	<u>314,590</u>
Net Book Value				
At 31 March 2022	<u>107,499</u>	<u>3,300</u>	<u>774,511</u>	<u>885,310</u>
At 31 March 2021	<u>56,439</u>	<u>7,924</u>	<u>764,930</u>	<u>829,293</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

10 Investments	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
At 1 April	-	-	2,719,902	2,577,386
Additions (repayments)	-	-	(242,704)	142,516
At 31 March	-	-	2,477,198	2,719,902
The investments are analysed as further:				
Shares in subsidiaries	-	-	2,150,004	2,150,004
Loans to subsidiaries	-	-	327,194	569,898
	-	-	2,477,198	2,719,902

The shares represent the holding of 100% of the ordinary share capital of the following subsidiaries:

	Description of activities	Country of incorporation
WGS Property Enterprises Ltd	Contractor	Northern Ireland
WGS Green Energy Ltd	Energy provider	Northern Ireland
WGS Residential Ltd	Affordable housing	Northern Ireland
WGS New Developments Ltd	Contractor	Northern Ireland

All loans to subsidiaries are secured and carry an interest charge of base rate plus 1.65%. The Association also charges its subsidiaries for Association resources expended on subsidiary activity. All transactions are at arms length and comply with DfC guidance on group structures.

11 Trade and other debtors	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Arrears of rent - technical	144,398	62,831	144,398	62,831
Arrears of rent - non-technical	40,224	118,319	40,224	118,319
Provision for bad debts	(79,198)	(67,198)	(79,198)	(67,198)
	105,424	113,952	105,424	113,952
Housing association grant receivable	-	-	-	-
Prepayments and accrued income	96,774	117,519	50,995	44,941
Subsidiary companies	-	-	-	295,436
Other debtors	122,328	136,103	103,946	117,721
	324,526	367,574	260,365	572,050

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

12 Creditors	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade creditors and accruals	139,136	163,698	117,183	145,079
Rents received in advance	90,440	68,072	90,440	68,072
Disposal proceeds fund	841,892	841,892	841,892	841,892
Other creditors	19,606	12,758	19,609	12,758
Loans (see note 14)	35,830	41,061	35,830	41,061
	<u>1,126,904</u>	<u>1,127,481</u>	<u>1,104,954</u>	<u>1,108,862</u>
	=====	=====	=====	=====
Amounts falling due after more than one year:				
Deferred grant (see note 13)	13,062,732	13,430,706	13,062,732	13,430,706
Disposal proceeds fund	664,118	385,844	664,118	385,844
Loans (see note 14)	63,943	108,316	22,812	58,316
	<u>13,790,793</u>	<u>13,924,866</u>	<u>13,749,662</u>	<u>13,874,866</u>
	=====	=====	=====	=====
13 Deferred Grant				
Housing Association Grant				
At 1 April	19,114,139	19,138,507	19,114,139	19,138,507
Additions	-	41,450	-	41,450
Disposals	(171,124)	(65,818)	(171,124)	(65,818)
At 31 March	<u>18,943,015</u>	<u>19,114,139</u>	<u>18,943,015</u>	<u>19,114,139</u>
	=====	=====	=====	=====
Amortisation				
At 1 April	5,683,433	5,452,987	5,683,433	5,452,987
Released in year	251,791	254,774	251,791	254,774
Disposals	(54,941)	(24,328)	(54,941)	(24,328)
At 31 March	<u>5,880,283</u>	<u>5,683,433</u>	<u>5,880,283</u>	<u>5,683,433</u>
	=====	=====	=====	=====
Net Book Value				
At 31 March	<u>13,062,732</u>	<u>13,430,706</u>	<u>13,062,732</u>	<u>13,430,706</u>
	=====	=====	=====	=====

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

14 Loans

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

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
In one year or less	40,830	41,061	35,830	41,061
Between one and two years	22,942	41,652	17,942	36,652
Between two and five years	9,870	26,664	4,870	21,664
In five years or more	26,131	40,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Housing loans	99,773	149,377	58,642	99,377
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Bank debt is secured by way of mortgages upon the deeds of the related properties financed by loans and bear interest at fixed and variable rates.

15 Retirement Benefits - Group and Association

The Association's pension scheme forms part of the total fund administered by NILGOSC. WSCHA has contributed at a rate of 20% of pensionable salaries, and will remain at this rate until such time as the Association is advised otherwise. Members have paid contributions at varying rates up to 8.50%.

Formal valuations are carried out at regular intervals by independent professionally qualified actuaries. The last formal valuation was carried out as at 31 March 2020.

Assumptions	2022	2021
Rate of salary increase	4.50%	4.20%
Pension increases in payment	3.00%	2.70%
Discount rate	2.70%	2.10%
Pension accounts revaluation rate	3.00%	2.70%

Fair value of assets and obligations of scheme are:	2022	2021
	£	£
Equities	454,000	457,000
Bonds	422,000	351,000
Property	106,000	88,000
Cash	42,000	52,000
Other	33,000	37,000
	<hr/>	<hr/>
Total market value of assets	1,057,000	985,000
Present value of scheme liabilities	(1,478,000)	(1,517,000)
	<hr/>	<hr/>
Deficit in scheme	(421,000)	(532,000)
Related deferred tax liability	-	-
	<hr/>	<hr/>
Net pension deficit	(421,000)	(532,000)
	<hr/> <hr/>	<hr/> <hr/>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

15 Retirement Benefits (continued)

Reconciliation of scheme assets and liabilities	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	985,000	(1,517,000)	(532,000)
Benefits paid	(46,000)	46,000	-
Service cost	-	(86,000)	(86,000)
Contributions from employer	55,000	-	55,000
Contributions from employees	10,000	(10,000)	-
Interest income/(expense)	21,000	(31,000)	(10,000)
Returns on assets (excluding interest income)	-	-	-
Actuarial (loss) or gain	32,000	120,000	152,000
	<u>1,057,000</u>	<u>(1,478,000)</u>	<u>(421,000)</u>

The following amounts have been recognised in the performance statements for the year.

	2022	2021
	£	£
Analysis of the amount charged to operating surplus		
Current service cost	31,000	(5,000)
Employer contributions	55,000	53,000
Total operating charge	<u>86,000</u>	<u>48,000</u>
Analysis of the amount shown as other finance costs		
Interest on pension assets	21,000	18,000
Return on pension assets	-	-
Interest on pension liabilities	(31,000)	(24,000)
Net return	<u>(10,000)</u>	<u>(6,000)</u>
Amount recognised in the statement of comprehensive income (SoCI)		
Actuarial (loss)/gain in SoCI	<u>152,000</u>	<u>(234,000)</u>
Return on plan assets		
Interest income	21,000	18,000
Return on plan assets (excluding interest income)	-	-
	<u>21,000</u>	<u>18,000</u>
Mortality rates		
<i>Male</i>		
Current pensioners	86.8 years	86.9 years
Future pensioners	88.2 years	88.3 years
<i>Female</i>		
Current pensioners	90.0 years	90.1 years
Future pensioners	91.4 years	91.5 years

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
16 Share Capital				
Ordinary shares of £1 each fully paid:				
At 1 April and 31 March	49	49	49	49
	=====	=====	=====	=====
17 Capital Reserve				
At 1 April and 31 March	14	14	14	14
	=====	=====	=====	=====
18 Revenue Reserves				
At 1 April and 31 March	15,960,264	15,368,819	16,208,916	15,546,101
Surplus for the year	639,137	825,445	659,443	896,815
Actuarial (loss)/gain	152,000	(234,000)	152,000	(234,000)
	-----	-----	-----	-----
At 31 March	16,751,401	15,960,264	17,020,359	16,208,916
	=====	=====	=====	=====

19 Contingent Liability

There exists a contingent liability on the Group of the possibility of having to repay grants received on properties if any properties are sold. This also includes any grants written off through the implementation of component accounting.

20 Commitments

Capital Commitments

There are capital commitments amounting to £Nil.

21 Related Party Disclosures

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Tenant - rental income	4,687	4,595	4,687	4,595
Management services	93,055	90,342	93,055	90,342
Accountancy services (net of VAT)	30,000	10,000	25,000	5,000
	=====	=====	=====	=====

Transactions with subsidiary companies have not been disclosed in accordance with available exemptions for 100% owned subsidiary companies.

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

22 Notes to the Cashflow Statement

	2022	2021	
	£	£	
Cashflow from operating activities			
Operating surplus for the year	685,856	837,902	
Surplus (loss) on disposal of fixed assets	(19,852)	(10,360)	
Other costs	-	-	
Depreciation of tangible fixed assets	513,055	531,212	
Grant released	(251,791)	(254,774)	
Movements in:			
Rental debtors	8,528	(32,893)	
Other debtors	34,520	(140,658)	
Creditors less than one year	4,653	36,926	
	<u>974,969</u>	<u>967,355</u>	
Cashflow from financing activities			
Interest received	2,489	1,172	
Interest paid	(8,208)	(12,629)	
	<u>(5,719)</u>	<u>(11,457)</u>	
Cashflow from investing activities			
Purchase of housing properties	(938,490)	(531,899)	
Capital grants received	-	41,450	
Other fixed assets	(100,527)	(82,420)	
Disposal of fixed assets	350,729	175,590	
	<u>(688,288)</u>	<u>(397,279)</u>	
Financing			
Share capital	-	-	
New loans	-	50,000	
Loans repaid	(49,604)	(36,654)	
	<u>(49,604)</u>	<u>13,346</u>	
Analysis of Net Debt			
	At 31/03/21	Cashflows	At 31/03/22
	£	£	£
Bank and cash balances	897,218	231,358	1,128,576
Loans	(149,377)	49,604	(99,773)
	<u>747,841</u>	<u>280,962</u>	<u>1,028,803</u>

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

	2022			-
	Turnover	Operating costs	Operating surplus (deficit)	2021
				Operating surplus
	£	£	£	£
Social Housing Activities	2,215,339	1,532,323	683,016	834,668
Non-Social Housing Activities	19,852	-	19,852	10,360
Totals	2,235,191	1,532,323	702,868	845,028

Turnover, operating costs and operating surplus from social housing activities

	2022			2021
	General Needs	Sheltered	Total	Total
Income from Social Housing				
Rent and rates receivable	1,574,625	337,291	1,911,916	1,927,480
Service charges receivable	-	163,406	163,406	159,648
Support income	-	22,580	22,580	25,897
Grant released	215,235	36,555	251,790	254,774
Gross income	1,789,860	559,832	2,349,692	2,367,799
Voids	(55,052)	(79,301)	(134,353)	(97,369)
Net income	1,734,808	480,531	2,215,339	2,270,430
Operating costs				
Services	-	179,894	179,894	170,550
Supporting People	-	42,197	42,197	40,006
Management costs	228,772	49,004	277,776	217,834
Rates payable	140,640	30,126	170,766	180,239
Maintenance administration costs	169,305	36,266	205,571	168,611
Planned and cyclical maintenance	57,955	23,136	81,091	94,371
Reactive maintenance	88,897	22,023	110,920	97,783
Bad debts	12,000	-	12,000	15,000
Depreciation	377,174	54,126	431,300	436,973
Other costs	20,808	-	20,808	14,395
Total operating costs	1,095,551	436,772	1,532,323	1,435,762
Operating surplus	639,257	43,759	683,016	834,668

Woodvale & Shankill Community Housing Association Limited

Notes to the financial statements for the year ended 31 March 2022

23 Association turnover, operating costs and operating surplus (continued)

	2022			2021
	General Needs £	Sheltered £	Total £	Total £
DSD Allowances				
Management allowances	100,188	37,620	137,808	143,748
Management costs	(228,772)	(49,004)	(277,776)	(217,834)
Deficit	(128,584)	(11,384)	(139,968)	(74,086)
Maintenance allowances	117,392	44,080	161,472	168,432
Planned and cyclical maintenance	(57,955)	(23,136)	(81,091)	(94,371)
Reactive maintenance	(88,897)	(22,023)	(110,920)	(97,783)
Deficit	(29,460)	(1,079)	(30,539)	(23,722)
Gross income from rents and service charges				
Technical	866,044	287,802	1,153,846	1,162,164
Non-technical	708,581	235,475	944,056	950,861
Total	1,574,625	523,277	2,097,902	2,113,025
Housing stock			2022	2021
Number of units owned at 31 March:			No.	No.
General needs housing			348	352
Sheltered housing			95	95
Supported housing			-	-
Total owned			443	447