

ELDON HOUSING

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2024



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MANAGEMENT AND ADVISERS

BOARD

- H Premlal MBA (Chair)
- A Chapman, BA (Hons), CIHCM (Deputy Chair)
- M Chinn, FCCA, CPFA
- D Gower-Smith, Cmgr FCMI
- K Harvey (Resigned 24th April 2024)
- K Melgaard
- N Sakyi BA (Hons), MA
- B Dowling
- V MacRae (Resigned 4th May 2023)
- Jonathan Jarvis (Co-Opted 7th December 2023)
- Madi Turpin (Co-Opted 22nd February 2024)

SENIOR LEADERSHIP TEAM

- S Faridi – Chief Executive
- D Nixon – Director of Asset and Facilities Management (Resigned 18th July 2024)
- Margaret Aboraa – Interim Head of Finance (Resigned 2nd May 2023)
- C Chow - Director of Finance and Resources (Appointed 3rd July 2023, (Left September 2023)
- Linda Strong (Appointed 15th January 2024)
- Dawn Knee (Appointed 19th Feb 2024)

REGISTERED OFFICE

Eldon Housing Association Ltd
The Office, 21 Bardsley Court
174-176 Selhurst Road
South Norwood
London SE25 6LX

AUDITOR

Knox Cropper LLP Chartered Accountants
65 Leadenhall Street
London EC3A 2AD

BANKERS

Barclays Bank PLC
1 Churchill Place
London EC14 5HP

Unity Trust Bank PLC
9 Brindley Place
Birmingham B1 2HB

AIB Capital Markets
St Helens 1 Undershaft
London EC3A 8AB.

SOLICITORS

Batchelors Solicitors
Charles House
25 Widmore Road
Bromley BR1 1RW

Streeter Marshall
74 High Street
Croydon CR9 2UU

Co-Operative & Community
Benefit Society Registration
Number: **23431R**

Regulator of Social Housing
Registration Number: **L3262**

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2024

PRINCIPAL ACTIVITY

The principal activity of the Association is to meet the needs of older people within the London Borough of Croydon and in West Sussex by providing supported housing and facilities management services together with welfare and care services tailored to individual needs to promote independent living.

VISION

The Association's vision is to be the best provider of affordable housing for older and vulnerable people within its sphere of operations.

MISSION

The Association's mission is to meet the individual requirements of people in need by providing accessible and sustainable housing, supported by flexible and reliable services.

VALUES

The Association's values are:

- **To be passionate, professional, operating with integrity**
- **Caring about our customers, staff and business**
- **Respectful – listening and approachable**
- **Innovative – always working to improve**

GOVERNANCE

The Association is governed by a Board of Management which also sets out the strategic direction of the organisation. Board Members meet formally at least four times a year. The Board of Management is listed on page 1.

The Board was serviced by the Audit & Risk Committee who meet formally at least four times a year.

The Board set up a new committee to oversee and monitor quality assurance across the Association to further improve good governance and improve quality of services for the Association's tenants and customers. This will also include closer monitoring and improvements to the Association's complaints handling. The Board appointed a Board Champion for Complaints handling in February 2023 who is a member of the Quality Assurance Committee. The first meeting took place in January 2024 with the plan to have tenant representation during 2024/25 once the committee is established. The committee terms of reference were approved by the Board of Management in February 2024.

A Board effectiveness review and a comprehensive review of all the Association's Governance documents took place during the end of the previous year to ensure compliance with the Rules and the National Housing Federations' Code of Good Governance. This review was conducted in partnership with a specialist governance consultant in 2022/23. The next planned review is due to take place during 2024 to ensure continued good governance and continuous improvement.

Existing Board Members at the time of the adoption of the 2020 NHF Code of Governance will continue their current term, a maximum of 9 years – 3 terms of 3 years, and new Board Members appointed after the adoption of the code will be appointed for a maximum of 6 years – 2 terms of 3 years.

The Association continues to comply with the principles of the Code of Good Governance.

During the year, two new Board Members were co-opted onto the Board, with their official appointments scheduled for the Annual General Meeting in September 2024. They were selected for their exceptional skills and expertise, which align perfectly with our strategic objectives and the evolving needs of our organisation. Their diverse backgrounds and professional experiences will undoubtedly strengthen the Board's capacity to provide robust governance, innovative perspectives, and effective oversight. We are confident that their contributions will play a pivotal role in driving our mission forward and achieving sustained success.

Board member appraisals are completed each year and a Board training plan developed to ensure Board members continue to have the essential skills and knowledge to effectively practice good governance and provide the strategic direction of the Association.

A governance action plan is in place, which is reviewed and monitored to ensure continuous improvements and compliance with the NHF Code of Governance 2020. This will be reviewed as part of the Board Effectiveness and compliance review in the summer 2024 and updated following the review with the recommendations from the external consultant appointed to carry out the review.

The Board confirms compliance with the RSH Governance and Financial Viability Standard. In doing so, the Board confirms that it has an appropriate, robust, and prudent business planning, risk, and control framework in place.

CONSUMER STANDARDS – REGULATORY REQUIREMENTS

During the year, the Association evaluated its performance against the Consumer Standards and created an action plan to ensure compliance. We have identified areas for improvement and developed a corresponding improvement plan. We will collaborate with the Tenant's Panel to ensure we maintain the required standards, demonstrating our commitment to continuous improvement. The Quality Assurance Committee will oversee the actions and compliance and provide assurance to the Board.

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2024

RISK MANAGEMENT

The Association has a robust risk management framework in place to monitor and mitigate major risks to which the organisation is exposed.

During 2023/24 the Association carried out a full review of the Risk Management Framework, which included workshops and training, reviewing and implementing the Association’s risk universe and risk appetite, reporting tools, templates for Board assurance and managing risks effectively across the organisation.

During 2023/24 the Board considered the following principal risks:

RISK	RESULT & THREAT	CONTROL ASSURANCE & MITIGATION
Inability to meet Bank Covenants.	Lender has the right to call in the debt or charge a penalty fee, increase interest, increase collateral.	<ul style="list-style-type: none"> • Compliance monitoring. • Financial Model with compliance forecast.
Pension Deficits.	Weakens Balance Sheet & Reduction in cash.	<ul style="list-style-type: none"> • Pension scheme controlled externally by actuaries. • Annual reports and valuations supplied by SHPS with planned payments made to reduce and eliminate the current pension scheme deficits.
Reduction in reserves due to impairment costs & loss of income generating contracts.	Weakens Balance Sheet & Ability to raise loans.	<ul style="list-style-type: none"> • Approval to all stages of development projects by Board. Annual portfolio valuation check against ‘carry costs. • Monthly monitoring by SLT of development progress.
Loss of C4C Contract.	Loss of contract halves the Association’s turnover & business. Reputation risk.	<ul style="list-style-type: none"> • Payment mechanism Help Desk control & monitoring producing monthly KPI reports to C4C. • Monthly monitoring reports to SLT.
Changes to Welfare Benefits and statutory entitlements.	Reduction in income & increase in arrears.	<ul style="list-style-type: none"> • Rent & services budgets & controls plus management. • Monthly rental income monitoring and benefit support provided to tenants.

STRATEGIC PLAN

In response to the evolving changes and challenges in the sector and the Association since the 2022 Strategic Plan was developed, the Association commenced a thorough review which started in March 2023 to plan and develop a new strategy for the next five years. This process included engaging staff, tenants, and the Senior Leadership Team (SLT) through meetings and focus groups to collaboratively refine our vision, mission, and key priorities. It also served as a valuable opportunity to reassess and reinforce our core values. The insights gathered from these consultations will inform the development of the new strategy, which is set to be finalised in the autumn 2024 following the Board Away Days dedicated to strategy development.

REVIEW OF THE YEAR

OPERATIONAL OVERVIEW

Staff

The Association places great emphasis on the contributions of its staff. The Board would like to express its gratitude and appreciation for their dedicated work throughout the year.

During 2023/24, the Association continued its Staff Excellence Awards programme. Staff members received the Employee Excellence Award in the 12-month period ending on 31st March 2024, with a nomination submitted by staff and tenants.

The overall winner will be honoured with the Gerald Ellis Award, presented annually in memory of Gerald Ellis, the Association's late Honorary President, who passed away in July 2018. This award will be presented at the Annual General Meeting in September 2024.

Throughout the year, the Association implemented changes to enhance and strengthen its senior leadership team. This followed the decision to outsource the Association's finances, a move aimed at improving support and development for staff, as well as enhancing the overall leadership and efficiency of the organisation.

In October 2023, the Association outsourced its finance function to Alwyns LLP. Consequently, the Association reviewed its senior leadership structure to ensure it had the appropriate resources in place to advance the organisation. New appointments included a Head of People and Resources and a Head of Housing, Care, and Support. Additionally, the Head of Operations was promoted to Director of Asset and Facilities Management.

A key priority for the Association in 2024/25 is to develop a People Strategy and Staff Charter, following the staff survey conducted in March 2024. The Association will engage staff to address areas needing improvement. Overall, the Association is pleased to report that 92% of staff are happy working for the Association.

A new Staff Forum will commence in July 2024 to enhance the staff experience, improve communications across the organisation, and provide a platform for staff to voice their opinions and input. The Association will collaborate with staff to develop the forum, with a strong emphasis on equity, diversity, inclusion, and belonging (EDIB). The Association celebrates EDIB within its staff team and Board.

Tenant Engagement and Satisfaction Overview

In 2023, the Tenant Annual Satisfaction Survey/Tenant Satisfaction Measures (TSMs), mandated by the Regulator for Social Housing and conducted by Acuity, revealed an overall satisfaction rate of 87.93%, exceeding the target of 84.7%.

Going forward, the Tenant Satisfaction Measures will be conducted bi-annually to implement improvements between full surveys, minimise survey fatigue, and maintain high levels of tenant engagement. A shorter survey is scheduled for autumn 2024, alongside tenant meetings and Tenant Panel meetings to gather feedback on the survey process and tenant needs.

The Association participated in the Housing Regulator's pilot scheme for smaller social housing providers regarding Tenant Satisfaction Measures, and the results have been submitted.

Key Satisfaction Metrics:

Listening and Acting on Tenant Views: 77.88% (Target: 71%)

Repairs and Maintenance: 84.21% (Target: 85.5%)

Keeping Tenants Informed: 79.09% (Target: 79.4%)

Approach to Complaints: 52.17% (Target: 54.8%)

A full review and refresh of the complaints policy and procedure are underway to ensure compliance with the Housing Ombudsman complaints handling code. Leadership is changing the culture of response to complaints, and staff training is planned to ensure complaints are recognised, welcomed, and responded to effectively.

Active engagement with tenants is prioritised through various channels, including surveys, meetings, and feedback loops. The Tenants Panel, with active involvement from the Chief Executive and Head of Housing, Care, and Support, plays a central role in our engagement strategy. The Asset and Facilities Team's participation in tenant meetings emphasises our commitment to improving repair and maintenance services.

Board Members regularly visit schemes and attend Tenant Panel meetings to gather direct feedback, informing strategic planning and enhancing service delivery.

Tenant engagement has fostered community spirit and cohesion. Complaints handling and feedback are standard agenda items in tenant meetings, highlighting our commitment to transparency and accountability.

The insights from the Tenant Satisfaction Survey/TSMs guide our efforts to improve services and tenant satisfaction. Our strategic focus on listening to tenants, acting on feedback, and continuous improvement will foster a more responsive and value-driven relationship with our tenants.

Customer Services Charter

We are pleased to announce that the Association has maintained its commitment to Customer Service Excellence and retained the award. A comprehensive review of our certification / award is scheduled to commence in April 2024, conducted by the Centre of Customer Excellence. As part of this process, the Assessor will conduct scheduled visits to our schemes, engage in meetings with tenants and the Tenant's Panel, and collaborate closely with staff across all schemes, while reviewing pertinent documentation. We are confident that we will maintain this award.

Cost of Living Support

The Association remains committed to supporting tenants during challenging times, prioritising their well-being, and providing essential resources. We operate a Support and Welfare Fund that tenants can access during periods of difficulty. Our dedicated staff collaborate closely with external community groups and organisations to offer comprehensive support and make appropriate referrals as needed. Moreover, the Association has a dedicated Support and Welfare Officer whose role is to assist tenants in maximising their income and accessing available funds, ensuring they receive the support necessary for their stability and welfare.

REVIEW OF THE YEAR

Voids

39 flats were let during the year ending 31st March 2024, compared to 58 in the previous year. Significant improvements have been made during the year. The Association had £127,036 void income loss as of 31st March compared to £393,617 the previous year. The Association has made significant improvements during the year and pleased to report that the void targets for the year were exceeded.

Improvement actions have included effective promotion across the local authorities' areas, engaging with key local authority staff to improve direct nominations, working in partnership with community organisations, and engaging key stakeholders as well as the improving internal processes.

Care (CQC Regulated Services)

The Association operates two extra care schemes – Westdene and Lindsey Court. Throughout the year, we underwent an unplanned inspection by the CQC, resulting in an overall rating of 'requires improvement.' While disappointing, this feedback has enacted necessary changes to elevate our service standards in all areas including those that requires improvement.

Despite this inspection outcome, the Association maintains its commitment to delivering high-quality care across all schemes. Following the CQC's recommendations, we have implemented a comprehensive improvement plan, ensuring that our services will meet and exceed regulatory expectations.

Looking ahead, we are preparing for an internal Care Audit in 2024. This assessment will reflect our progress in response to CQC feedback, guiding our continuous improvement efforts moving forward. The inspection report can be found on the Association's website.

Asset Management

The Board has approved a new Asset Management Plan with an overall aim to maintain good quality homes that are safe to live in. Our plan includes the following objectives:

Ensuring good quality homes that meet or exceed the Decent Homes Standard, incorporating any new provisions enacted through the government's review.

- Involving tenants and seeking their input in planned and cyclical works within their schemes.
- Focusing on carbon reduction, with all homes rated 'C' or above for energy efficiency.
- Redeveloping existing schemes that are no longer fit for purpose.
- Ensuring financial resilience while maintaining high-quality schemes without breaching the Association's financial covenants.
- The Association is committed to keeping all properties in good repair and ensuring building safety.

Facilities Management C4C – Caring for Croydon Homes

The Association has been the Facilities Management provider for the London Borough of Croydon - Caring 4 Croydon Homes since 2008, delivering high-quality services through locally employed staff and contractors.

In 2023, customer and tenant satisfaction surveys highlighted our commitment to service excellence. The Helpdesk efficiently managed 1,504 calls, with minimal penalty deductions, indicating strong operational performance.

During the 2023-2024 period, we completed 64 life cycle requests, focusing on significant upgrades and maintenance to enhance resident facilities. Key projects included kitchen and ensuite room refurbishments, protective cladding installations, and upgrades to communication systems.

All catering kitchens received the highest hygiene rating from the Food Standards Agency. Planned maintenance for the next year will prioritise redecoration and flooring replacements in ensuite rooms to maintain high standards.

The Association's strategic focus on quality, efficiency, and local engagement in Facilities Management supports a good living environment for Croydon residents, aligning with our long-term goals of service excellence and community support.

Head Office

During the year, the lease for the Association's head office at Legion House in Kenley ended in February 2024. We decided not to renew the lease, opting instead to seek a more suitable long-term solution.

In evaluating our options, we discovered that offices across our various sites were underutilised. We saw an opportunity to use these spaces more effectively while we explore a permanent solution. Consequently, our head office staff have been relocated across our schemes. This allows us to optimise existing resources and ensure greater presence and accessibility throughout the Association. The registered office address is now 21 Bardley Court. This strategic move positions us to better serve our community while we develop a long-term plan.

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Financial Performance

The Association demonstrated strong operational and financial resilience in a year of severe structural challenges for the UK, such as the post-pandemic consequences, inflationary pressure, the interest rate hike, and recruitment challenges.

The turnover had increased by 13% to £8.80m and we achieved a surplus of £1.32m (£0.60m). Following our structural challenges and transitioning to a new leadership team in the previous year, our operating efficiency increased to 27% from 20%. This was partly due to a reduction in the routine, cyclical and planned maintenance costs, and a reduction in the staff costs for the senior management personnel, which was high in the previous year due to the cross over in the staff changes.

We remain financially strong with £13.02m of capital and reserves. Our financial leverages (non-current liability as a percentage of total assets that excludes current liabilities) is at 65% (68% in 2023) and had £6.27m cash at year end. Our credit rating was considered at the top tier by our largest lending bank.

Overall, 2023-24 was a challenging year for the whole of the UK. The Association rigorously pursued value-for-money for both the organisation and customers, strengthened the leadership team and financial strength. These have strongly positioned us for delivering the strategic objectives.

VALUE FOR MONEY

During the year the SLT, overseen by the Board who have the responsibility for setting the vision and mission of the association, have proactively striven to maintain the association’s Value for Money (VFM) strategy ensuring the maintenance of quality and high standards in our homes in a business efficient manner.

During the year the Association used a range of data to measure our Value for Money status complied with the Regulator of Social Housing standard and providing comparison to the Acuity and Housemark Sector Scorecards. The result is presented below.

The Association demonstrated strong operational and financial resilience in 2023-24, a year of severe macro and uncontrollable challenges that all businesses in the UK had to tackle such as the post-pandemic consequences, inflationary pressure, interest rate hike and recruitment challenges.

The journey of strengthening the SLT presented had also incurred additional costs for hiring interim senior managers. Despite these challenges, the Association managed to achieve operating efficiency (27.39%). We remain financially very strong as evidenced by the gearing ratio (37.69%) and cash balance (over £6m).

Going forward, building on the strong financial position and ongoing plans to improve internal control, the strengthened SLT is now focussing on delivery of its strategic objectives.

BUSINESS HEALTH	2023/24 Result	2022/23 Result	2021/22 Result	Acuity Scorecard	Housemark Scorecard
B. Operating Margin (overall) %	27.39%	20.14%	24.48%	15.0%	20.2%
A. Operating Margin (social housing lettings only) %	19.12%	10.84%	16.67%	18.0%	22.2%
EBITDA MRI interest Cover %	225.22%	185.42%	200.85%	227.31%	181.9%

DEVELOPMENT - CAPACITY AND SUPPLY

A. New supply delivered (Social housing units) %	0%	0%	16.96%	0%	1.2%
B. New supply delivered Non-social housing units) %	0%	0%	0%	0%	0%
Gearing %	37.69%	49.31%	50.63%	12.83%	35.8%
Gearing % (excluding PFI contract)	7.4%	24.35%	24.30%	-	-

OUTCOMES DELIVERED

Reinvestment %	0.84%	2.82%	5.79%	3.10%	5.7%
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EFFECTIVE ASSET MANAGEMENT

Return on Capital Employed %	6.10%	3.96%	4.24%	2.53%	2.8%
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OPERATING EFFICIENCIES

Headline Social Housing Cost Per Unit **	£14,500	£13,164	£10,769	£6,153	£4,230
Housing Cost per Unit (excluding personal services)	£5,096	£5,141	£3,358	-	-

** Cost per unit is high compared to our peer bodies due to the specialist nature of support provided to residents at our housing schemes. A separate measure of performance excluding personal services has therefore been added below.

STATEMENT ON THE ASSOCIATION'S SYSTEM OF INTERNAL CONTROL

Control is exercised through the application of policies and procedures, board reporting, and ongoing review of the risk register, KRIs, KPIs and reporting. Three internal audits were performed in the year. The Association appointed TIAA, as their internal auditor to provide independent assurance that its risk management, governance, and internal control processes are operating effectively. A risk management framework has been developed to introduce 'three lines of defence' against core functions.

The Audit & Risk Committee provides scrutiny and challenge to provide the Board with assurance.

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed.

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation, and control of significant risks. There is a formal and on-going process of management review in each of the Association's activities. The SLT regularly considers and receives reports on significant risks facing the Association and the Chief Executive is responsible for reporting to the Board any significant changes effecting key risks.

Environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Information and financial reporting systems

Financial reporting procedures include detailed budgets for the year ahead, detailed management accounts produced quarterly and forecasts for the remainder of the financial year and for subsequent years. These are reviewed in detail by the SLT, the Audit and Risk Committee and are considered and approved by the Board.

The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets, and outcomes.

Monitoring and corrective action

A process of regular management monitoring on control issues provides assurance to senior management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by the SLT who report to committees and the Board. The Board considers internal control and risk at each of its meetings during the year.

The system of internal control is under constant review to ensure its effectiveness and has taken account of any changes needed to maintain the effectiveness of risk management and control process. In addition, through its procedure review, controls were checked, and changes made which will be monitored during the coming year.

The Board confirms that there is an on-going process for identifying, and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report and accounts and is regularly reviewed by the Board.

Going concern

The Board has reasonable expectation that the Association has adequate resources to continue operations for the foreseeable future. For this reason, the going concern basis has continued to be used in preparing the financial statements. The Board has considered the impact of inflationary pressure, interest rate hike, cost of living crisis, and recruitment challenges on the short- and long-term health of the association, and is content that the measures taken by the association, together with a robust business plan provides assurance that the going concern basis is appropriate in preparing the financial statements.

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

The law requires the Board of Management to prepare financial statements for each financial year. Under that law the Board of Management has elected to prepare the Association's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Management is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and 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 2014, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018). They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

The Board members who held office at the date of approval of this Board report, confirm that, so far as they are each aware there is no relevant audit information of which the Association's auditors are unaware; and each Board member has taken all steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

APPOINTMENT OF AUDITORS

Knox Cropper LLP have indicated their willingness to continue in office and a resolution to reappoint them will be put to the members.



By order of the Board

H Premal – Chair

Date: August 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDON HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Eldon Housing Association Limited for the year ended 31st March 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as of 31st March 2024 and of its incoming resources and application of resources for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's responsibilities set out on page 10, the board 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 are responsible for assessing the company'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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDON HOUSING ASSOCIATION

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 83 of the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Co-operative and Communities Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the regulatory standards issued by the Regulator of Social Housing.
- We understood how the Association is complying with those frameworks via communication with those charged with governance, together with the review of the Association's documented policies and procedures.
- We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with revenue recognition, application of accounting estimates, and management override of controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the Association's recognition of income to the terms of tenancy agreements, reviewing the assumptions used and controls applied in the calculation of accounting estimates, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the board members with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Association.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the Association's members, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken, so that we might state to the Association's members 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 members, for our audit work, for this report or for the opinions we have formed.

KNOX CROPPER LLP
Chartered Accountants
Statutory Auditors 2024
65 Leadenhall Street
London EC3A 2AD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024


	Notes	2024 £	2023 £
Turnover	3	8,823,533	7,797,485
Operating costs	3	(6,406,891)	(6,244,913)
Gain on disposal of other fixed assets		1,347	-
Operating Surplus	3	2,417,989	1,552,572
Interest receivable		143,866	59,444
Interest payable and finance costs	7	(1,238,907)	(1,011,321)
Surplus/(deficit) for the year		1,322,948	600,695
Other comprehensive income			
Actuarial gain/(loss) on pension schemes	17	(134,000)	(69,000)
Total comprehensive income for the year		1,188,948	531,695

All amounts relate to continuing activities.

The financial statements on pages 18 to 39 were approved by the Board of Management on 8th August 2024 were signed on its behalf by:

Board Member: 

Board Member: 

Company Secretary: 


STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Tangible Fixed Assets			
Housing Properties	9	27,253,953	27,439,888
Other Fixed Assets	10	186,283	204,868
		27,440,236	27,644,756
Investments	11	173,276	173,276
		27,613,512	27,818,032
Current Assets			
Debtors	12	703,554	749,518
PFI Contract Debtor due After More Than One Year	12	6,439,138	6,781,327
Cash at Bank and In Hand		6,274,064	5,479,998
		13,416,756	13,010,843
Creditors: Amounts Falling Due Within One Year	13	(1,349,740)	(1,639,436)
Net Current Assets		12,067,016	11,371,407
Total Assets less Current Liabilities		39,680,528	39,189,439
Creditors: Amounts Due After More Than One Year	14	(25,928,850)	(26,659,709)
Provision for Liabilities and Charges			
Pension Liabilities	17	(730,000)	(697,000)
Total Assets Less Liabilities		13,021,678	11,832,730
Capital and Reserves			
Called-up Share Capital	18	83	83
Restricted Reserve		9,583	9,583
Revenue Reserve		13,012,012	11,823,064
		13,021,678	11,832,730

The financial statements on pages 18 to 39 were approved by the Board of Management on 8th August 2024 were signed on its behalf by:

Board Member: 

Board Member: 

Company Secretary: 

STATEMENT OF CHANGES IN CAPITAL AND RESERVES FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital	Restricted reserve	Revenue reserves	Total capital and reserves
	£	£	£	£
On 1 April 2023	85	9,583	11,291,369	11,301,037
Total comprehensive income for the year	-	-	531,695	531,695
Issue of share capital	1	-	-	1
Cancellation of shares	(3)	-	-	(3)
On 31 March 2023	83	9,583	11,823,064	11,832,730
On 1 April 2023	83	9,583	11,823,064	11,832,730
Total comprehensive income for the year	-	-	1,188,948	1,188,948
Issue of share capital	-	-	-	-
Cancellation of shares	-	-	-	-
On 31 March 2024	83	9,583	13,012,012	13,021,678

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Net cash generated from operating activities	A	3,211,462	2,129,786
Cash flow from investing activities			
Interest received		148,104	66,424
Proceeds from sale of tangible fixed assets		1,347	-
Purchase of tangible fixed assets		(44,025)	(26,143)
Purchase of housing properties and components		(261,820)	(954,823)
Net cash (used in) / from investing activities		(156,394)	(914,542)
Cash flow from financing activities			
Repayment of borrowings		(1,048,290)	(649,970)
Share issue		-	(1)
Share cancellation		-	(3)
Interest paid		(1,212,712)	(989,718)
Net cash used in financing activities		(2,261,002)	(1,639,690)
Net increase / (decrease) in cash and cash equivalents		794,066	(424,446)
Cash and cash equivalents at beginning of year		5,479,998	5,904,444
Cash and cash equivalents at end of year	B	6,274,064	5,479,998

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

A: Reconciliation of surplus for the year to cash generated by operations

	2024	2023
	£	£
Surplus for the year	1,322,948	600,695
Depreciation charge on tangible fixed assets	62,610	61,011
Depreciation charge on housing properties	437,920	461,995
Accelerated depreciation charge on housing properties	9,835	(77,832)
Amortisation of grant	(77,832)	(59,444)
Interest receivable	(143,866)	1,011,321
Interest Payable	1,238,907	133,249
Decrease/(increase) in debtors	383,914	87,606
Increase/(decrease) in creditors	96,388	18,196
(Gain) on disposal of fixed assets	(1,347)	-
Payments to pension schemes	(118,015)	(107,011)
Net cash inflow from operating activities	3,211,462	2,129,786

B: Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	6,274,064	5,479,998

C: Analysis of Changes in Net Debt

	At 01/04/2023	Cash Flows	Other non-cash changes	At 31/03/2024
	£	£	£	£
Cash	5,479,998	794,066	-	6,274,064
Loans falling due within one year	(873,063)	1,048,290	(662,047)	(486,820)
Loans falling due after more than one year	(18,136,963)	-	652,867	(17,484,096)
	(13,530,028)	1,842,356	(9,180)	(11,696,852)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. PRINCIPAL ACCOUNTING POLICIES

General information

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a private registered provider of social housing, registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008.

A description of the nature of the Association's operations and its principal activity is disclosed in the Board Report on page 4.

The Association's registered office is stated on page 3.

Basis of accounting

These accounts of the Association are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Housing SORP 2018 "Statement of Recommended Practice for registered social housing providers 2018" ("the SORP") and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

In accordance with FRS 102 (3.3A), the Association is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The accounts have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

Going concern

The Board has reasonable expectation that the association has adequate resources to continue operations for the foreseeable future. For this reason, the going concern basis has continued to be used in preparing the financial statements. The Board has considered the impact of inflationary pressure, interest rate hike and recruitment challenges on the short and long-term health of the association and is content that the measures taken by the association, together with a robust business plan provides assurance that the going concern basis is appropriate in preparing the financial statements.

Turnover

Turnover represents rental income and service charges receivable, fees and grants from local and central government authorities, and other income. Turnover is recognised when the significant risks and rewards are considered to have been transferred.

Rental income and service charges receivable are recognised on the basis of the amount receivable for the year.

Other income is recognised based upon the value of goods or services supplied during the period.

Revenue grants are recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

Property Managed by Agents

Where the Association carries the financial risk on property managed by agents, all income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Association.

Employee benefits

Pensions

The Association contributes to a defined benefit multi-employer pension scheme, the Social Housing Pension Scheme (SHPS), a funded multi-employer defined benefit scheme. The assets of the scheme are held separately from those of the Association, in separate trustee administered funds. The scheme trustee identifies the share of underlying assets and liabilities belonging to individual participating employers and therefore the Association accounts for the scheme as a defined benefit plan.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service. They are included as part of staff costs. Net interest on the defined benefit liability is shown as a cost in the statement of comprehensive income. The remeasurement of the defined benefit liability is included within other comprehensive income.

The Association also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association, in separate trustee administered funds. Contributions payable to the scheme are included as part of staff costs in the period to which they relate.

Employee termination benefits

Where the Association has committed to pay employee termination benefits before the year end, those benefits are accrued in the current year.

Operating leases

Rental costs under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease, even if the payments are not made on such a basis.

Value Added Tax

The Association is registered for value added tax (VAT) and charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. All amounts disclosed in the financial statements are exclusive of VAT where applicable. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Freehold and long leasehold housing properties are stated at cost depreciation and impairment. The cost of land is not depreciated.

The cost of housing properties is the initial purchase price, together with those costs that are directly attributable to acquisition and construction, interest charges incurred during the development period.

Properties in the course of construction are stated at cost and transferred to completed housing properties when completed.

Interest charges on loans financing development are capitalised up to the date of completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives.

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation is provided on a straight-line basis over the periods shown below:

- **Structure – 125 years**
- **Heating Systems – 15 years**
- **Kitchen – 20 years**
- **Lifts – 20 years**
- **Roofs – 100 years**
- **Electrics – 40 years**
- **Bathrooms – 30 years**
- **Windows – 30 years**

The useful lives of all tangible fixed assets are reviewed annually.

Other Fixed Assets

Other fixed assets are stated at cost, less depreciation and impairment. Depreciation is charged on a straight-line basis over the expected useful lives of the assets at the following annual rates:

- **Computer Equipment 25%**
- **Motor Vehicles 25%**
- **Fixtures and Fittings 10% - 20%**

Leasehold is depreciated over the life of the lease.

Service concession arrangements (Private Finance Initiative Contract)

The Association and its consortium partners (Caring 4 Croydon) entered into a Private Finance Initiative (PFI) contract with Croydon Council in December 2006.

There are four schemes of which three are resource centres providing residential and nursing care for the elderly. Each resource centre has day care facilities. The fourth scheme is an Extra Care Sheltered Accommodation for the elderly with an adjoining day centre.

The three resource centres together with their day care facilities are owned by C4C Ltd and excluded from these accounts.

The Association provided development finance to C4C Ltd for the construction of the Extra Care Sheltered Accommodation and related day centre. The loan to C4C Ltd is recognised within debtors, apportioned between more than and less than one year. The loan is not interest bearing and is reduced by the portion of the Unitary payment deemed to relate to loan finance each year.

The Association has a 125-year lease of the Extra Care facility and its day centre, and the cost of this leasehold interest is included in fixed assets. The day centre is leased back to the London Borough of Croydon over 30 years.

The Association manages the Extra Care facility and its day centre and provides facilities management to the other three resource centres. Income arising from these activities is based upon the Financial Model agreed with the consortium partners. This income is described in these accounts as PFI contract income and accounted for in accordance with the stated turnover policy.

Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities comprise investments, trade and other debtors, cash and cash equivalents, trade and other payables and loans.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Association becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Association transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,
- the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Association does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Cash and cash equivalents

Cash and Cash Equivalents comprise cash in hand and at bank and short term deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Non-financial assets

Non-financial assets comprise tangible fixed assets.

The Association's tangible fixed assets are assessed for impairment at each reporting date. Where indicators are identified, then an assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. If there is objective evidence of impairment, an impairment loss is recognised immediately in the Statement of Comprehensive Income.

A cash generating unit is the smallest identifiable group or assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Value in use represents the present value of the future cash flows expected to be derived from an asset or cash-generating unit, appropriately adjusted to account for any restrictions on their use. The assessment of value in use may involve considerations of the service potential of the assets or cash-generating units, provided the property concerned is being used for social housing and is in demand. Value in use for assets held for their service potential represents the depreciated replacement cost, being the most economic cost required to replace the service potential of the asset. Depreciated replacement cost is the lower of the cost of constructing or acquiring a replacement asset to provide the same level of service potential. The cost of acquiring a replacement asset could be either through purchasing an equivalent property on the open market or purchasing an equivalent property from another registered provider, providing there is considered to be an active market.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

Financial assets comprise trade and other debtors and cash and cash equivalents.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Grants

Government grant

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure (excluding land), on a pro rata basis under the accrual model of accounting.

The unamortised element of the government grant is recognised as deferred income in creditors due within one year or due after more than one year as appropriate in the Statement of Financial Position.

Where a component is replaced the amount of any unamortised government grant associated with this component is taken to income.

Government grant is repayable indefinitely unless formally abated or waived. On the occurrence of certain relevant events, primarily following the sale of property, the Government Grant repayable or to be recycled will be restricted to the net proceeds of sale where appropriate. In recognition of this, external lenders seek the subordination of the Home and Communities Agency's right to recover Government Grant to their own loans.

Government grant received in respect of revenue expenditure is recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received using the performance model of grant accounting.

Social Housing Grant (SHG) can be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position as a creditor due within one year or due after more than one year as appropriate. SHG may have to be repaid if certain conditions are not met.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance related conditions on the Association, is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Reserves

The Association restricts those reserves which have been set aside for uses which prevent them, in the judgement of the Board, from being regarded as part of the free reserves of the Association.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of Financial Statement requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements in applying the Associations accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Board has made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return.

Identification of cash generating units for impairment testing

For impairment purposes, as explained in the accounting policies, housing properties are grouped into schemes which reflects how the properties are managed.

Recoverable amounts are based on either future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential.

Recoverable amount for assets held for their service potential is assessed as the depreciated replacement cost which is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components. The Association has no history of acquiring or selling properties from or to other registered providers and the Board considers that there is no active market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Identification of housing property components

The Association accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Key sources of estimation uncertainty

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components. The accumulated depreciation at 31 March 2024 was £4,666k.

Impairments of social housing properties held for their service potential

The cost of purchasing an equivalent property on the open market is estimated based on the sale prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs, based on either current building contracts or market data (being primarily construction indices) applied to the relevant building size and type.

Amortisation of government grants

Government grants received for housing properties are recognised in income over the useful life (as identified for the depreciation charge) of the housing property structure (excluding land), on a pro rata basis under the accrual model.

Bad debt provision

The rent arrears balance recorded in the Association's Statement of Financial Position comprises a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Multi-employer pension obligations

The discount rate used for the multi-employer pension scheme is determined by reference to market yields at the reporting date on high quality bonds.

A provision for £730k is recorded in the Statement of Financial Position at 31 March 2024 in respect of pension schemes in deficit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2024			
	Turnover	Operating costs	Other	Operating surplus
	£	£	£	£
Social Housing lettings (note 4)	4,769,274	(3,857,495)	-	911,779
Disposal of fixed assets	-	-	1,347	1,347
Other social housing activities:				
Charges for support services	691,958	(461,053)	-	230,905
Cleaning and laundry charges	23,165	-	-	23,165
Sub-Total	5,484,397	(4,318,548)	1,347	1,167,196
Memo only:				
Non-social housing activities				
Managed Associations	24,152	(24,152)	-	-
PFI Contract	3,313,100	(2,064,191)	-	1,248,909
Other	1,884	-	-	1,884
Sub total	3,339,136	(2,088,343)	-	1,250,793
Total	8,823,533	(6,406,891)	1,347	2,417,989

	2023			
	Turnover	Operating costs	Other	Operating surplus
	£	£	£	£
Social Housing lettings (note 4)	4,021,426	(3,603,688)	-	417,738
Disposal of fixed assets	-	-	-	-
Other social housing activities:				
Charges for support services	619,381	(479,866)	-	139,515
Cleaning and laundry charges	22,436	-	-	22,436
Sub-Total	4,663,243	(4,083,554)		579,689
Memo only:				
Non-social housing activities				
Managed Associations	145,964	(168,826)	-	(22,862)
PFI Contract	2,975,704	(1,992,533)	-	983,171
Other	12,574	-	-	12,574
Sub total	3,134,242	(2,161,359)	-	972,883
Total	7,797,485	(6,244,913)		1,552,572

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General housing £	Supported housing £	Total 2024 £	Total 2023 £
INCOME				
Rents	144,784	1,865,173	2,009,957	1,765,517
Service charge income	44,296	1,698,847	1,743,143	1,473,085
Supplements income	-	938,342	938,342	704,992
Amortised government grant	3,564	74,268	77,832	77,832
Government grants	-	-	-	-
Turnover from social housing lettings	192,644	4,576,630	4,769,274	4,021,426
EXPENDITURE				
Management	(43,503)	(877,802)	(921,305)	(794,218)
Service charge costs	(25,383)	(1,515,972)	(1,541,355)	(1,492,391)
Supplements costs	-	(658,789)	(658,789)	(354,693)
Routine Maintenance	(12,317)	(210,250)	(222,567)	(341,313)
Cyclical & planned maintenance	(3,271)	(33,338)	(36,609)	(155,034)
Bad debts	-	(29,115)	(29,115)	14,152
Depreciation of Housing Properties	(37,704)	(400,216)	(469,807)	(461,995)
Accelerated depreciation charge		(9,835)	(9,835)	(18,196)
Operating costs on social housing lettings	(122,178)	(3,735,317)	(3,857,495)	(3,603,688)
Operating surplus / (deficit) on social housing lettings	70,466	841,313	911,779	417,738
Void losses	-	(127,036)	(127,036)	(393,617)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. DIRECTORS' EMOLUMENTS

For the purpose of this note Directors are defined as the Chief Executive and SLT.

	2024 £	2023 £
The aggregate emoluments paid to Directors including pension contributions	241,434	399,612
The emoluments paid to the highest paid Director of the Association excluding pension contributions	112,879	147,358

The Chief Executive is an ordinary member of the Association's defined contribution pension scheme. No enhanced or special terms apply. There are no additional pension arrangements.

PAYMENTS TO NON-EXECUTIVE DIRECTORS

	Remuneration £	Expenses £	2024 Total £	2023 Total £
Board Chair	5,000	-	5,000	5,000
Board Deputy Chair	3,500	-	3,500	3,500
Audit & Risk Chair	3,500	-	3,500	3,500
Committee Members	12,708	-	12,708	15,166
	24,708	-	24,708	27,166

The total payment to Board and Committee members is reviewed annually, taking external independent advice where appropriate and represents in 2023/24 less than 0.30% of turnover. Remuneration is based on sector benchmarking data for comparable sized associations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. EMPLOYEE INFORMATION

The average weekly number of persons employed during the year (full time equivalents) was:

FTE staff by department:

Catering

Care & support

Domestics

Premises

Administration

Staff costs for the above persons

Wages and salaries

Social Security costs

Defined benefit pension costs

Other pension costs

Redundancy costs

	2024	2023
	No	No
	93	88
	33	27
	19	22
	26	19
	7	4
	8	16
	93	88
	2,431,717	2,269,410
	198,978	186,176
	11,000	28,000
	61,440	52,547
	-	-
	2,703,135	2,536,133

7. INTEREST PAYABLE

Interest payable on Housing loans

SHPS – Interest Cost

Amortisation of arrangement fees

	2024	2023
	£	£
	1,212,712	988,430
	17,015	11,011
	9,180	11,880
	1,238,907	1,011,321

Interest and financing costs of £Nil (2023: £Nil) have been capitalised at an average interest rate during the year of Nil% (2023: Nil%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. SURPLUS FOR THE YEAR

Is stated after charging:

Depreciation (including accelerated depreciation of £9,835 (2023: £18,196)

Auditors' remuneration (excluding VAT):

in respect of audit services

in respect of other services

Operating lease charges - plant & machinery

Operating lease charges – land and buildings

	2024 £	2023 £
	510,365	541,202
	13,250	11,000
	-	19,720
	-	-
	24,944	28,813

9. HOUSING PROPERTIES

Cost

As of 1st April 2023

Additions

Works to existing properties

Disposals

As of 31st March 2024

Depreciation

As of 1st April 2023

Charge for year

Disposals

As of 31st March 2024

Net Book Value

As of 1st April 2023

As of 31st March 20234

	Housing properties	Total Housing Properties
	30,798,063	30,798,063
	240,020	240,020
	21,800	21,800
	(24,894)	(24,894)
	31,034,989	31,034,989
	3,358,175	3,358,175
	437,920	437,920
	(15,059)	(15,059)
	3,781,036	3,781,036
	27,439,888	27,439,888
	27,253,953	27,253,953

The Net Book Value of leasehold land and buildings included within housing properties is £1,321,075 (2023: £1,310,205).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. OTHER FIXED ASSETS

	Leasehold office improvements	Furniture & equipment at schemes	Vehicles and office equipment	Total other fixed assets
	£	£	£	£
Cost				
As of 1st April 2023	2,099	871,141	164,617	1,037,857
Additions	-	40,499	3,526	44,025
Disposals	(2,099)	-	(8,863)	(10,962)
As of 31st March 2024	-	911,640	159,280	1,070,920
Depreciation				
As of 1st April 2023	2,099	683,118	147,772	832,989
Charge for year	-	52,439	10,171	62,610
Disposals	(2,099)	-	(8,863)	(10,962)
As of 31st March 2024	-	735,557	149,080	884,637
Net Book Value				
As of 31st March 2023	-	188,023	16,845	204,868
As of 31st March 2024	-	176,083	10,200	186,283

11. INVESTMENTS

	2024	2023
	£	£
Loan Note Instrument 7.26%	170,776	170,776
Shareholding in C4C Holdings Ltd	2,500	2,500
	173,276	173,276

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. DEBTORS

Amounts falling due within one year:

Rent arrears

Less: provision for bad debts

Prepayments & Accrued Income

PFI Contract Debtor

Other Debtors

Amounts falling due after one year:

PFI Contract Debtor

	2024	2023
	£	£
Rent arrears	267,669	289,701
Less: provision for bad debts	(57,849)	(34,933)
	209,820	254,768
Prepayments & Accrued Income	96,048	36,617
PFI Contract Debtor	342,528	332,000
Other Debtors	55,158	126,133
	703,554	749,518
Amounts falling due after one year:		
PFI Contract Debtor	6,439,138	6,781,327
	7,142,692	7,530,845

13. CREDITORS amounts falling due within one year

Pre-paid rent

Trade creditors

Other taxation and social security payable

Accrued expenses

Other creditors

Deferred income – government grants

Retentions

Pension liability

Loans falling due within one year

	2024	2023
	£	£
Pre-paid rent	85,989	76,518
Trade creditors	319,855	342,470
Other taxation and social security payable	185,254	181,209
Accrued expenses	106,549	52,647
Other creditors	83,523	31,742
Deferred income – government grants	77,829	77,827
Retentions	3,748	3,748
Pension liability	173	212
Loans falling due within one year	486,820	873,063
	1,349,740	1,639,436

14. CREDITORS amounts falling due after more than one year

Loans

Deferred income - government grants

Pension liability

	2024	2023
	£	£
Loans	17,484,096	18,136,963
Deferred income - government grants	8,444,754	8,522,588
Pension liability	-	158
	25,928,850	26,659,709

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15. CREDITORS analysis of loans repayable

	2024	2023
	£	£
Due within one year	486,820	873,063
More than 1 year less than 2 years	1,064,598	984,298
More than 2 years less than 5 years	3,224,472	2,535,272
More than 5 years	13,195,026	14,617,393
Total due in more than one year	17,484,096	18,136,963
Total loans	17,970,916	19,010,026
Breakdown of Loans Types:		
Private Finance Initiative	8,382,540	8,712,695
Bank	9,689,332	10,407,467
Less Finance costs	(100,956)	(110,136)
	17,970,916	19,010,026

Housing loans are secured on the Association's housing properties and are repayable in instalments at various rates of interest between 1.85% and 3% plus the relevant SONIA floating rate, and fixed rates between 5.33% and 6.07%. The loan maturity dates range from May 2025 to March 2045.

16. GOVERNMENT GRANT

	Completed schemes	Under construction	Total
	£	£	£
Received			
On 1 April 2023	9,728,396	-	9,728,396
On 31 March 2024	9,728,396	-	9,728,396
Amortisation			
On 1 April 2023	1,127,981	-	1,127,981
Amortisation	77,832	-	77,832
On 31 March 2024	1,127,981	-	1,127,981
Carrying amount			
On at 31 March 2024	8,522,583	-	8,522,583
On at 31 March 2023	8,600,415	-	8,600,415

All of the Government grant listed above is Social Housing Grant - a grant given to Registered Social Landlords by the Government to help fund new buildings for social housing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. PENSION OBLIGATIONS

Social Housing Pension Scheme

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The scheme trustee is able to identify the share of scheme assets and liabilities belonging to individual participating employers and as such the Association accounts for the scheme as a defined benefit plan.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last man standing arrangement’. Therefore, the Association is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was issued in October 2021 and showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 March 2028:	£175.0m per annum payable monthly and increasing by 5.5% each year on 1st April)
-------------------------------------	--

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2017; this valuation was issued in October 2018 and showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Present values of defined benefit obligation, fair value of assets and defined benefit assets (liability)

Fair value of plan assets
Present value of defined benefit obligation
Defined benefit asset (liability)

2024	2023
£'000	£'000
1,884	1,813
(2,322)	(2,218)
(438)	(405)

Reconciliation of opening and closing balances of the defined benefit obligation

Defined benefit obligation at start of period	(2,218)	(3,131)
Current service cost	(11)	(28)
Expenses	(6)	(5)
Interest expense	(107)	(87)
Contributions by plan participants	(16)	(19)
Actuarial losses/(gains) due to scheme experience	(83)	127
Actuarial losses/(gains) due to changes in demographic assumptions	28	5
Actuarial losses/(gains) due to changes in financial assumptions	(1)	830
Benefits paid and expenses	92	90
Defined benefit obligation at end of period	(2,322)	(2,218)

(2,218)	(3,131)
(11)	(28)
(6)	(5)
(107)	(87)
(16)	(19)
(83)	127
28	5
(1)	830
92	90
(2,322)	(2,218)

Reconciliation of opening and closing balances of the fair value of plan assets

Fair value of plan assets at start of period	1,813	2,699
Interest income	90	76
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	(78)	(1,031)
Contributions by the employer	135	140
Contributions by plan participants	16	19
Benefits paid and expenses	(92)	(90)
Fair value of plan assets at end of period	1,884	1,813

1,813	2,699
90	76
(78)	(1,031)
135	140
16	19
(92)	(90)
1,884	1,813

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £12,000 (2023: £(955,000)).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Defined benefit costs recognised in surplus for the year

	2024	2023
	£'000	£'000
Current service cost	11	28
Expenses	6	5
Net interest expenses	17	11
Defined benefit costs recognised in statement of comprehensive income (SoCI)	34	44

Defined benefit costs recognised in other comprehensive income

	2024	2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(78)	(1,031)
Experience gains and losses arising on the plan liabilities - gain (loss)	(83)	127
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	28	5
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	(1)	830
Total amount recognised in other comprehensive income – gain (loss)	(134)	(69)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Assets	2024	2023
	£'000	£'000
Global Equity	188	34
Absolute Return	74	20
Distressed Opportunities	66	55
Credit Relative Value	62	68
Alternative Risk Premia	60	3
Emerging Markets Debt	24	10
Risk Sharing	110	133
Insurance-Linked Securities	10	46
Property	76	78
Infrastructure	190	207
Private Equity	2	-
Private Debt	74	81
High Yield	-	6
Opportunistic Credit	-	-
Cash	37	13
Corporate Bond Fund	-	-
Long Lease Property	12	55
Secured Income	56	83
Opportunistic Illiquid Credit	74	78
Liability Driven Investment	767	835
Currency Hedging	(1)	3
Net Current Assets	3	5
Total assets	1,884	1,813

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Key assumptions

Discount Rate
Inflation (RPI)
Inflation (CPI)
Salary Growth
Allowance for commutation of pension for cash at retirement

2024 % per annum	2023 % per annum
4.89%	4.88%
3.17%	3.20%
2.77%	2.74%
3.77%	3.74%
75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted on 31 March 2021 imply the following life expectancies at age 65:

Male aged 65
Female aged 65
Male aged 45
Female aged 45

2024	2023
20.5	21.0
23.0	23.4
21.8	22.3
24.4	24.9

The Growth Plan

The Association participates in the scheme, a multi-employer defined benefit scheme which provides benefits to some 950 non-associated employers. It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last man standing arrangement’. Therefore, the Association is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out on 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows::

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3.312m per annum payable monthly.
---------------------------------------	------------------------------------

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of opening and closing provision

	2024 £	2023 £
Provision at start of period	370	581
Unwinding of the discount factor (interest expense)	15	11
Deficit contribution paid	(212)	(212)
Remeasurements - impact of any change in assumptions	-	(10)
Provision at end of period	173	370

Impact on surplus for the year

	2024 £	2023 £
Interest expense	15	11
Remeasurements – impact of any change in assumptions	-	(10)
Assumption: Rate of discount	5.31%	5.52%

Other Pension Provisions

	2024 £'000	2023 £'000
The amounts recognised in the balance sheet are as follows:		
Provision at start of year	292	292
Provision at end of year	292	292

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid shares of £1 each

	2024 £	2023 £
At start of the year	83	85
Issued during the year	-	1
Cancelled during year	-	(3)
At end of the year	83	83

The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

19. UNITS AND SERVICES IN MANAGEMENT AND DEVELOPMENT

Units under management at end of year:

Housing Accommodation

Supported Housing

Services under management at the end of year

Facilities Management for C4C contract

	2024	2023
	17	17
	266	266
	283	283
	150	150

C4C units and services: Fellows Court extra care sheltered scheme is included in supported housing. Heavers, Addington Heights and Langley Oaks resource centres are included in facilities management.

Accommodation managed by Agents

Association owns property managed by other bodies

Number of units of accommodation

	2024	2023
	7	7

20. CAPITAL COMMITMENTS

Capital expenditure that has been approved and contracted for and has not been provided for in the financial statements

Capital expenditure that has been approved but not contracted for and has not been provided for in the financial statements

	2024 £	2023 £
	-	-
	-	191,000

21. OPERATING LEASES

The future minimum payments under non-cancellable operating leases are as follows:

within one year

within one to five years

	2024 £	2023 £
	-	20,833
	-	-
	-	20,833

22. CONTINGENT LIABILITIES

The Association is not presently aware of any contingent liabilities other than the debt contingent on withdrawal from the Social Housing Pension Scheme (SHPS) which the scheme actuary has estimated as being £1,245,192 as of 30th September 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

23. FINANCIAL INSTRUMENTS

Financial assets measured at fair value through profit or loss:

Investments in listed securities

Cash and cash equivalents

	2024 £	2023 £
Investments in listed securities	-	-
Cash and cash equivalents	6,274,064	5,479,998
	6,274,064	5,479,998
Financial liabilities measured at amortised cost:		
Loans repayable within one year	486,820	817,489
Loans repayable after more than one year	17,484,096	18,192,537
	17,970,916	19,010,026

Financial liabilities measured at amortised cost:

Loans repayable within one year

Loans repayable after more than one year

Interest income/(expense)

Interest income for financial assets at amortised cost

Interest expense for financial liabilities at amortised cost

	2024 £	2023 £
Interest income for financial assets at amortised cost	143,866	59,444
Interest expense for financial liabilities at amortised cost	(1,221,892)	(1,000,310)
	-	-

Fair value gains and (losses)

On financial assets measured at fair value through surplus for the year

	2024 £	2023 £
On financial assets measured at fair value through surplus for the year	-	-
	-	-

Interest rate and liquidity risk of financial liabilities

Interest rate risk

The Association borrows at both fixed and floating rates of interest. It does not borrow in foreign currencies.

Liquidity risk

The Association’s objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

24. RELATED PARTY TRANSACTIONS

Eldon Housing Association is a 25% shareholder of Caring 4 Croydon Holdings Limited and our Head of Asset and Facilities Management is a director. On 31st March 2024 the investment held in Caring 4 Croydon Holdings Ltd was £173,276 (2023: £173,276) comprised of £2,500 equity shares and £170,776 loan notes bearing interest at 7.26%. Interest of £23,402 (2023: £13,432) was accrued and £13,302 (2023: £20,412) received during the year, with £23,402 (2023: £27,263) due to the Association at the balance sheet date.

Under the PFI contract the Association invoiced £3,185,371 to Caring 4 Croydon Limited, a wholly-owned subsidiary of Caring 4 Croydon Holdings Limited, during the year 1st April 2023 to 31st March 2024 (2023: £3,611,616) and at the balance sheet date was due £22,658 (2023: £125,852) from that company.

Key management are the persons having authority and responsibility for planning, controlling, and directing the activities of the Association. In the opinion of the Board, the key management are the SLT.

Remuneration paid to key management personnel were:

Salaries

Employer’s social security costs

Employer’s pension contributions

Interim contractors

	2024 £	2023 £
	179,948	84,586
	21,908	10,173
	26,378	18,760
	13,200	286,093
	241,434	399,612

25. OVERALL CONTROL

The Association is controlled by a Board of Management who oversee the day-to-day operations of the Association and are elected by the Shareholders at the Annual General Meeting.

Eldon Housing Association Ltd

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Registered with the Regulator of Social Housing No: L3262.

An exempt charity, registered with the Financial Conduct Authority under the Co-operative and Community Benefits Society Act 2014 No: 23431R.

Registered with the Care Quality Commission.

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**NATIONAL
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