



**Churches Housing Association of Dudley and District Limited**

Board members' Report and Financial Statements

For the year ended 31 March 2024

# Churches Housing Association of Dudley and District Limited

## Association Information

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### Board members

Rt Rev M Gorick (Chair)  
Mrs J Armstrong (Vice Chair)  
Mr S Billingham (Treasurer)  
Mr P Weston  
Mrs L Chibuzor  
Mrs S Huband (retired 12 September 2023)  
Mrs C Palmer-Fagan  
Mrs S Haywood  
Mr P Wade  
Mrs C Bayton  
Ms R Kanneh (appointed 21 February 2024)  
Ms W Stephens (appointed 25 March 2024)

### Secretary and Chief Executive Officer:

Mrs A Walsh

### Housing Corporation Registration Number:

LH2916

### Co-operative and Community Benefit Society Number:

22545R

### Registered office

Brindley House  
48-50 Hall Street  
Dudley  
DY2 7DT

### Independent auditor

Dains Audit Limited  
2 Chamberlain Square  
Paradise  
Birmingham  
B3 3AX

### Bankers

Lloyds Bank Plc  
162 Halesowen Road  
Blackheath  
Warley  
B64 5RS

# Churches Housing Association of Dudley and District Limited

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## Churches Housing Association of Dudley and District Limited

### Board members' report For the year ended 31 March 2024

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The Board of Management presents their report and the audited financial statements for the year ended 31 March 2024.

#### Review of the Association

Churches Housing Association of Dudley and District Limited (CHADD) is a small and highly specialist organisation that provides housing and related care and support services to people within the borough of Dudley. More information about our services and activity can be found in our annual report. These services include:

- A foyer project with additional floating support services for young people aged between 16 and 25 enabling them to gain independent living skills and be supported into training, education and employment. This service is now delivered as part of our new Alliance contract providing transitional support for young people in crisis.
- Supported housing for young parents in self-contained apartments in Dudley, supporting those new parents with parenting skills, housing support and independent living.
- Safe refuge accommodation for victims of domestic abuse and their children in a range of accommodation options as single-sex Refuge hubs. We also provide refuge homes for male victims, and people from the LGBTQ+ community who have suffered domestic abuse as part of our dispersed refuge provision.
- An outreach team providing 1:1 and group support and structured programmes to families in need as a result of domestic abuse and other complex issues. The team members are highly trained and skilled in a wide range of relevant areas and are therefore able to meet diverse client needs.
- CQC registered care services, supported living provision and a large community-based care and support service for adults living with learning disabilities, acquired brain injury and autism.
- Sheltered housing community options for older people in self-contained flats at various locations in the borough.
- A registered Supported Independent Living Service to provide support and care for people living with enduring mental health conditions in their own homes and specifically at our St Marks House scheme.
- Partnership projects with specialist care and support providers to provide housing for people with mental ill health and people with learning disabilities.

The Association employs the services of local contractors to provide a comprehensive repairs and maintenance service for all properties with a planned maintenance and stock condition programme to ensure that they remain high quality homes.

Working with local statutory and voluntary organisations within the Dudley Metropolitan Borough area the association is able to help shape strategy to meet the future needs of the Dudley Community and through partnership working to support the delivery of those strategies. In addition, CHADD has regional and national influence with our CEO representing small housing associations with the National Housing Federation CEO group, West Midlands Combined Authority and other Black Country wide initiatives on housing, homelessness, poverty and domestic abuse.

CHADD is guided in all its operations by the vision and mission statement and business plan approved by the Board of Management.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**CHADD Vision and Values:**

***Our Vision - to support people to thrive so they can be the best they can be.***

We take pride in:

- Investing in the people of Dudley.
- Being valued by the people we serve.
- Taking care of our team.
- Applying a clear Christian ethos.
- Being pro-active and positive in changing policies and how services work.
- Being a committed partner.

We:

- Believe that everyone deserves a safe home and a chance to thrive.
- Believe in the best of people and in their potential.
- Believe in the local voluntary sector.
- Are passionate about combating injustice and abuse.
- Are always learning.

***Our Mission - to provide a safety net in times of crisis and a springboard to a better future that enables people to live their best life.***

**Activity review - Highlights of the Year**

Over the course of this year, CHADD provided housing, help and support in various forms to 1,700 people throughout the borough of Dudley across our range of services. We continue to see our services develop and our income streams diversify to meet the needs and challenges faced by people in Dudley. Our ethos of providing a 'safety net' for people experiencing crisis or difficult life challenges and a 'springboard' to better life outcomes underpins all that we deliver, and is central to our Strategic Business Plan objectives.

Our Strategic Plan 2020-2025 has set our course through the last 4 years and will continue to provide the central focus in this last year of delivery. The Strategic Plan is set out across four key themes - Safety Net, Springboard, Sustainable and For Dudley People.

In line with our Strategic Plan, our continued focus over this final year will be to:

- Maintain the number of homes we currently provide and to invest in and improve the quality of these homes to ensure they are fit for purpose both now and in the future.
- We will rationalise and reconfigure the types of homes we offer, and dispose of properties identified as no longer fit for the purpose of supported housing.
- We will re-provide to ensure we are still able to meet local needs and that our homes are of good quality.
- We will continue to respond to opportunities to grow our care provision and specialist support, and develop new services to meet emerging needs in the community and to further partnerships with local stakeholders.

Work has already commenced on developing our next Strategic Plan to chart our course for 2025-2030, working together with our board of management, residents and service users, our staff teams and our local community and partners.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**Our achievements against our annual targets are detailed in full within our Annual Report 2022-23 published on our website.**

**Activity review - Highlights of the Year (continued)**

It has been another year of significant changes, growth and service development across our range of services. We have delivered our second year of leading the Dudley Young People's Alliance as the lead provider working in partnership with subcontractor charities:

- Black Country YMCA, Greensquare Accord, Top Church Training and Just Straight Talk.

A special celebration event in April 2024 highlighted our second-year achievements for the partnership:

- 36,000 hours of support for young people – a 20% increase on the previous year
- 366 young people supported with housing & wrap-around support – a 2% increase
- 3,900 hours of support delivered for young people via our Homelessness Youth Hub
- 74 young people moved on from the service in a planned way evidencing positive impact on their lives

**Young Parents Supported Housing**

- 25 young families were housed across our 2 supported housing schemes
- 11 of those achieved positive planned move-on from the service
- 12 parents received support from our Employment Learning Mentor; 5 of which secured employment and 1 entered college education

Across all of our young people services, we have delivered our core services plus a range of specialist projects and co-production activities leading to:

- Successfully achieving Foyer Federation accreditation for the 2nd year, assessed as being Operationally and Strategically strong; the highest award
- Two young people are now employed directly with us as Youth Power Administrators as part of our Youth Power project
- Young people at the Foyer taking part in Power Pioneers, a national project around young people campaigning for change in local and national life
- Our RISE project also secured extra funding through Black Country Health Partnership which means we can continue to deliver wellbeing-focused activities to young people using the five ways to wellbeing framework

Our wellbeing and activities mentor delivered a series of well-attended workshops and programmes for young people, including budgeting and debt awareness in partnership with HSBC bank, managing anxiety, decision-making, confidence-building and stress management.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**Domestic Abuse Services**

**Refuge** – we provided 14,200 nights of safety and recovery for victims of domestic abuse and their children, housing 87 women and 74 children across our Refuge hubs and dispersed homes. We further expanded our Refuge safe accommodation service this year by repurposing a former care home property to convert this in to a 4-unit facility as a Refuge for older people as victims of domestic abuse. We also acquired two new 2-bed family homes to add to our dispersed accommodation units as part of our domestic abuse service. Both of these developments provide additional rental income, additional homes and ensures we are reaching and supporting more victims of domestic abuse – a key element of our Strategic Plan. We have also refurbished existing facilities within some of our Refuges to ensure the highest quality of accommodation. Specialist roles within our refuge hubs that are focused on resettlement, complex needs, therapeutic wellbeing, counselling and support for children, have continued to provide support as part of trauma recovery helping victims become survivors that can rebuild and thrive.

**Outreach Services** - our specialist and community-based outreach service continues to support more victims through group programmes and one-to-one work building on the new roles and specialisms developed over recent years. We provided support to 375 victims through this model of service with 217 of those being supported by our qualified IDVAs specialising in older people's abuse, homelessness and disabilities, LGBTQ and supporting those from minoritised communities. 108 people received our Sanctuary service ensuring that their homes had additional security features to keep them safe from harm.

**Care Services - 125k hours of care/support each year**

Our community service, supported living and St Marks House service now provide over 125,000 hours of care and support annually to adults living with learning disabilities and mental health conditions, through a team of 90 staff. We welcomed a new Head of Care – Jodi Klaus – as both a strategic lead and registered manager to help us improve and model the highest quality of care. As part of rationalizing our service model and responding to commissioning needs, a small care home was closed and repurposed for a new client group.

**Sheltered Housing**

We have continued to invest significantly in our sheltered housing homes for older people through our capital investment programme. Our sheltered homes have seen 11 voids filled over the year with our direct waiting list providing the majority of successful referrals. We have developed our wellbeing offer and social activities at each site to benefit our older tenants and the community ethos of the service. These services continue to be a solid income stream for CHADD with low void turnover and consistent rental income.

**Improving our Homes**

We continue to deliver our capital investment programme as a major objective of our strategic plan to ensure they are compliant and fit for purpose to provide homes people can thrive in. In 2023-24, the priorities were installing 30 new kitchens at one sheltered scheme, replacing heating systems, warden call systems and electrics and fire safety installations.

**Other Developments**

Following a minor restructure with our senior team, Suki Kaur was appointed Head of Business Improvement, with a focus on securing new funding grants, improving business operations and organisational development activity. We have secured an additional £60k in funding so far overlapping in to the next financial year.

Detail on our performance against the Tenant Satisfaction Measures and our response is provided in our Annual Report 2023-24 published on our website, including how we compare and benchmark with similar organisations.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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We have continued to contribute to the local faith community and voluntary sector response to support those experiencing food poverty and holiday hunger, and social isolation and loneliness. We have been able to provide 150 food parcels at Christmas and Easter, and free sanitary products for women and girls. We continue to provide our popular drop-in food bank provision for young people facing hardship and victims of domestic abuse living in our local community.

CHADD continue to play a significant leadership role in the local voluntary sector and this has continued this year with our role as lead of the Dudley Young People's Alliance, our role on the Dudley Domestic Abuse Partnership Board, membership of the Combined Partnership LLP, chair of the Homelessness Forum, and our work to continue to strengthen and support other local smaller charities with their governance.

**Future developments and plans**

- Secure long-term funding/contracts for all of our domestic abuse services
- Develop, consult and finalise our next Strategic Plan for 2025-2030 with a priority on de-carbonisation and our Net Zero Plan for 2030.
- To progress development and/or disposal of existing sites, and/or purchase of new homes in line with our business plan to upgrade, increase and improve our homes.
- To continue to deliver our ambitious capital investment programme.
- Implement the regulator requirements for the Tenant Satisfaction Measures, and new consumer regulatory requirements.
- Complete the acquisition and transfer of Peter Harris Almshouses (2 small bungalows) as part of expanding our sheltered housing portfolio.

**Value for Money**

Our Business Plan considers the operating environment, and the opportunities and challenges this presents for us, and seeks to balance the needs and aspirations of our service users with the sustainability of the organisation. As a small, charitable association we have always been acutely aware of the need to operate cost effectively and to use our resources wisely to generate benefits for the vulnerable people we accommodate and support. We recognise the importance of being true to our mission and ethos; value for money does not mean doing things as cheaply as possible, it means doing the right things in the right way to maximise the value of our assets.

In January 2020 a new 5-year strategic plan and annual targets were set out and progress monitored throughout the year with performance being measured. In 2021-22, we revisited and reviewed our 5-year business plan to update our financial projections, objectives and annual targets to reflect that since the merger with Langstone Society, our business and service activity is now housing, support and care.

Our approach to value for money is set out in our Value for Money and Social Values Strategy, which was updated and relaunched in November 2022. Our VfM achievements during the year are also detailed in our Annual Report, which is published on our website. The VfM Statement details our strategic approach to value for money and covers key areas such as Asset Management, Operations, Treasury, Surplus, Improvement Plans and Board Assurance and is themed on the three E's - economy, efficiency and effectiveness.

In accordance with the Regulators revised VfM standard, detailed on the next page are a set of key metrics which are calculated directly from the financial statements and allow comparability across the sector.



**Board members' report (continued)**  
**For the year ended 31 March 2024**

**VfM Metrics**

| <b>Metric</b>                              | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Reinvestment                               | 11.5%       | 9.0%        |
| New supply delivered (social housing)      | 0.8%        | 0.4%        |
| New supply delivered (non-social housing)  | 0.0%        | 0.0%        |
| Gearing                                    | -33.5%      | -38.7%      |
| Interest cover                             | 193.2%      | 687.5%      |
| Social housing cost per unit               | £13,009     | £11,301     |
| Operating margin (social housing lettings) | 3.6%        | 5.2%        |
| Operating margin (overall)                 | 1.7%        | 4.3%        |
| Return on capital                          | 0.8%        | 2.0%        |

Reinvestment figures have increased from 9.1% in 2023 to 11.5% in 2024. This is mainly due to the purchase of Langstone Road for £150k and Spring Gardens for £167k and continued investment in upgrades, improvements and repairs throughout our housing stock. This resulted in £525k being reinvested in day to day maintenance, major repairs and capital improvements. The above figure included £211k of capital improvements to properties with upgrades and replacements to Kitchens, Boilers, Warden Call Systems, Electrics and Fire Alarms included in the programme. This is further evidence of our intent to reinvest heavily in our current housing stock and make our homes more modern and fit for purpose. The new supply delivered metric increased from 0.4% to 0.8% due to the purchase of the 2 additional units mentioned above but there was no addition to non-social housing units delivered. It was noted that the Association continues to operate 18 units of accommodation that are owned by Bromford Housing Association via a management agreement.

The negative gearing metric shows that there is very little (if any) reliance on external financing and how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. The metric takes in to consideration the cash and cash equivalents figure of over £2.67m against short and long term loans of just £210k and had cash balances not been considered then the comparative percentages would have been 3.0% for 2023 and 2.9% for 2024.

Interest cover has decreased due to a reduction in operating surplus achieved for the year (£103k this year compared to £252k for 2022/23) and is compared against interest payable and financing costs of just £23.5k. Interest cover of 193% suggests adequate levels of liquidity and investment capacity as well as low levels of interest compared to the surplus being generated.

Social housing cost per unit increased from £11,301 to £13,009 which is mainly due to cost of living increases and a sharp rise in repairs and maintenance costs. However, it should be noted that these costs per unit are considerably higher compared to the wider general needs sector due to the nature of the support that we offer and the fact that some of the costs are for providing services within the community and are not directly linked to any property.

Operating margins on social housing lettings have decreased from 5.2% to 3.6% which represents a reduction in surplus from social housing operations from £160k for 2023 to £124k in 2024. As mentioned above, this is partly due to general cost of living increases across the organisation and significant rises to repairs and maintenance costs.

**Board members' report (continued)**

**For the year ended 31 March 2024**

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Overall operating margins have decreased from 4.3% to 1.7% due to a surplus of £103k being achieved this year compared to £252k for the previous year. This again is due to cost increases which have had to be absorbed during the year and will be partially recouped through rent increases next year. The return on capital employed metric has reduced from 2.0% to 0.8% due to a decrease in the operating surplus (as mentioned above) but total assets less current liabilities did increase from £12.4m last year to £12.6m this year due to the purchase of 2 new properties. The value of our investments also rose significantly during the year due to higher than expected interest rates and general market confidence returning globally.

**Financial performance review**

The Association's surplus for the year reduced to £129k (2023: £256k). Operating costs increased to £6.02m from £5.65m reflecting in particular increased energy costs, uplifted salaries to accommodate the increased cost of living, and rising planned and routine maintenance expenditure this year.

The Association's financial position remains positive. Cash balances have reduced slightly to £2.67m (2023: £2.93m) due to purchasing 2 new properties and outstanding loans reduced to £210k (2023: £212k).

Comparing the actual performance for the year against the updated annual targets set out in the business plan shows the achievements and progress made over the past 12 months. These include:

- Turnover was forecast to be £5.3m in the business plan but actual turnover for the year totalled over £6.1m. This was mainly due to identifying new income streams/additional funding throughout the year and continued growth since the merger.
- The budgeted surplus target for the year was set at £115k but the actual operating surplus achieved for 2023/24 was £129k.
- Increasing grant income and new funding streams was another target and the additional income amount achieved for the year was over £28k above budget. This included younger peoples funding for our RISE and Youth Power projects and additional funding from West Midlands Police, Sanctuary and MHCLG for new and continued DV projects.
- The capital asset improvement plan for the year was identified as £205k and all of this programme was delivered (plus other additional items) at a cost of approximately £211k – further evidence of our commitment to improving our housing stock.

Looking forward to the next financial year the budget has identified a surplus target of £193k. This factors in relative increases to rental and care fee income and continued effective management of voids. Buffers and contingencies are built in to our budgets to address cost of living increases and it is hoped that the continued efficient management of our operations could result in us exceeding our surplus targets for 2024/25. Additional funding and new income streams will also be targeted during the year.

The budget also identified an annual capital repairs programme totaling £239k for the year ahead. This again shows the financial commitment that we are making to improve our housing stock to ensure that every home is fit for purpose, offers value for money and is sustainable. To realise the surplus that we aim to achieve during the year we will continually monitor costs to ensure that we are achieving value for money. Maintenance contractors and service contracts are reviewed annually by the Asset Manager to ensure competitive rates and materials costs are secured. Local brokers are used to compare energy rates from different providers in order to tie in competitive rates on bulk contracts across all of our properties in light of recent soaring energy prices. Providers of items such as stationery, medical supplies, training and agency staff are all reviewed by the central office team to ensure that our value for money principles extend to all items of expenditure.

**Board members' report (continued)  
For the year ended 31 March 2024**

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Our surplus contributes to the organisation's reserves which allows us to invest in homes and communities over the long term.

Following a process of self-assessment working in partnership with the Board Development Agency, the board of management is satisfied that CHADD is compliant with the Regulator's Value for Money Standard and the Governance and Financial Viability Standard, and has improvement plans in place for regular review.

**Benchmarking**

During the year we joined the Acuity Supported Housing Benchmarking Group, which has enabled us to compare our performance against similar associations. Some of the headlines are as follows:

- Tenant satisfaction – the results of our most recent satisfaction surveys were well above the median within the group with some of the highlights being – overall satisfaction 92% (median was 88%), repairs/repair time satisfaction 89% (median was 84%), home well maintained 91% (median 86%) and VFM rent and service charges 83% (median 80%).
- Allocations and lettings – void losses totalled 5.4% for the year compared to a median total throughout the group of 5.8% and average re-let days totalled 21 days (median was 43 days) which highlights our proactive approach to void management.
- Income management – our rent collected figure (98%), current tenant arrears (3.9%) and bad debt write off figures were all inline with group averages which shows efficient management of rent collection, arrears and voids.
- Cost per property – responsive repairs and void works £780 (median £866) and major and cyclical works £1,239 (median £1,056) shows the level of investment in our current housing stock to improve standards throughout.

**Reserves**

The surplus for the year is, in line with our strategic plan, being utilised to fund the significant capital investment works over the next five years to ensure that our homes are of good quality, are well maintained, compliant and provide a home to be proud of and that will enable people to thrive.

The Board believes that reserves are fundamental to the future of the Association in order to fund major repairs and improvements to housing properties as they become necessary and to provide property equity for future housing developments and to provide a buffer against future challenges.

**Going concern**

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Principal risks and uncertainties**

The Association's policy is not one of risk avoidance, rather we aim to identify and manage an acceptable level of risk and the Association Board has identified its risk appetite for each of the strategic risks identified.

The Association Board has overall responsibility for risk management but has delegated to the Finance & Risk Committee responsibility for reviewing the scope and effectiveness of the risk management framework, policies and procedures. The executive management team provides corporate leadership of risk management and all CHADD managers integrate risk appraisal into their decision making.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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The Association maintains a close eye on various sources of risk including but not limited to: supply chain disruptions, increasing inflation and interest rates, ongoing shortages of materials and skills in respect of delivering essential services and investment in new housing stock, energy efficient improvements and catch-up repairs, fire safety assessments and weak operating margins from remedial safety works.

**Treasury management and control**

Treasury activities are managed by the Chief Executive and the Head of Finance in consultation with the Treasurer and are subject to policies approved by the Board. The major financial risks to which the Association is exposed relate to interest rates, investment risk and liquidity risk. No speculative use of derivatives or other instruments is undertaken. The policies to manage the risks have remained unchanged in the year and are summarised below.

**Interest rate risk**

The Association finances its operations through the management of its cash deposits, investments and bank deposits. Cash deposits are held in a short-term bank account, deposits are held in accounts with Lloyds Bank and Scottish Widows Bank and investments managed by Evelyn Partners Investment Management, St James's Place Investment Management and EFG Harris Allday. The Association deposits and invests funds which are surplus to the operational requirements of the Association in order to maximise the return on its investments and minimise risk.

**Liquidity risk**

The Association's policy is to ensure the continuity of funding by arranging short-term deposits and investments which are available when required.

**Stock quality**

The Association ensures an effective system for repairs and maintenance is in place to meet minimum standards and the needs of tenants. The Board seeks to ensure that robust data is available on the quality of the Association's stock and how this relates to evolving requirements from the review of Decent Homes Standard and the government's decarbonisation agenda.

**Health and safety and Environmental matters**

The well-being of the Association's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 1989 imposes certain requirements on employers and the Association has taken the necessary action to ensure compliance with the Act. The Association has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

The Association will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Association has complied with all applicable legislation and regulations.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**Investment**

The Board invested £100,000 many years ago in an account with EFG Harris Allday to whom they looked for investment advice. During the year ended 31 March 2008, £50,000 was withdrawn from the funds. During 2010 The Association changed investment brokers to Evelyn Partners (previously Smith & Williamson) depositing a further £261,000. The investments are held in a range of assets from building society bonds to shares quoted on the London Stock Exchange. The merger with St Marks House in 2016 resulted in the transfer of a St James's Place Investment Portfolio which was valued at £287,738 as at 31 March 2017. Following the merger with the Langstone Society in July 2020 an investment portfolio held with EFG Harris Allday was transferred over to CHADD and this was valued at £811,376 as at 30 June 2020. The total value of investments held by the Association are detailed in note 13.

**Board of Management**

The members set out below have held office during the period from 1 April 2023 to date unless otherwise stated.

|                    |                      |
|--------------------|----------------------|
| Rt Rev M Gorick    | (Chair)              |
| Mrs J Armstrong    | (Vice Chair)         |
| Mr S Billingham    | (Treasurer)          |
| Mr P Weston        |                      |
| Mrs L Chibuzor     |                      |
| Mrs S Huband       | (retired 12.09.23)   |
| Mrs C Palmer-Fagan |                      |
| Mrs S Haywood      |                      |
| Mr P Wade          |                      |
| Mrs C Bayton       |                      |
| Ms R Kanneh        | (appointed 21.02.24) |
| Ms W Stephens      | (appointed 25.03.24) |

We have seen further board renewal in 2023-24, with the retirement of a long-standing board member. We have also welcomed two new board members during the year and plan to embark on further board recruitment in the next financial year as required.

In 2020/21, the Board of Management adopted the Charity Code of Governance following a self-assessment process. Our improvement plan was reviewed in 2023 and all actions are now complete. We aim to periodically review this to ensure continued compliance.

In 2021, we commissioned the Board Development Agency (BDA) to assess CHADD's compliance with the Social Housing Regulator's Economic and Consumer standards. Following a thorough process of self-assessment led by BDA, the board of management is satisfied that CHADD is compliant with all of the Economic and Consumer standards including the Value for Money Standard and the Governance and Financial Viability Standard. We have progressed well with our improvement plan against these standards with full completion for the Economic Standards plan and with a few actions remaining for the Consumer Standards. The improvement plans were reviewed by an independent internal auditor in 2023 with a report to the board for added assurance. The regulator of social housing has launched new regulatory requirements alongside the Housing Ombudsman, and we have appointed BDA to work with us again to self-assess our compliance and create improvement plans if needed. These will be presented to the board of management throughout 2024/25.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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A new Risk Map Framework was approved by the board of management in July 2021 to provide a detailed strategic and management level risk register that links to CHADD's governance structure and board committees and gives oversight of all the key risk areas. There was a minor review of this in 2023 with a more detailed review planned for 2024-25.

CHADD is also unique in that the Bishop of Dudley has a traditional and historical role of Chair of the board of management. In reality, the role of Chair is shared between the Vice Chair and Chair. We currently have two board members that have length of terms exceeding nine years, one of which will be retiring from the board during 2023-24. Given the nature of CHADD's specialist work, size and charitable purpose, and the benefits gained from the strategic role of the Bishop of Dudley, the board of management are satisfied for both of these arrangements to continue in the best interests of the charity and have a succession plan for phased retirements and new recruitment. These matters are regularly reviewed.

We are very grateful for the expertise and commitment provided by our diverse board of management who provide the essential skills needed, accountability, oversight and strategic challenge. Our governance structure utilises two sub-committees - Finance and Risk Committee and People and Standards Committee - providing detailed oversight, accountability and robust risk management reporting through to the main board. We have continued to attract talented professionals and we continue to review the board's effectiveness and succession planning. Further detail on the diversity of our board of management can be found within our Annual Report 2023-24 published on our website.

We continue to consolidate working practices, support, IT and resources to protect our staff and provide a safe continuation of services using our business continuity plans, local risk assessments and working closely with Dudley Council and Public Health Dudley. We will continue to flex and adjust our activity, practice, operations, workplaces and service settings, and monitor our compliance with CQC, public health and government legal, regulatory and guidance requirements.

**Safeguarding Compliance**

Safeguarding is a priority for all at CHADD and our compliance is monitored and reviewed regularly as part of governance oversight of risks and operations. We have complied with the legal and regulatory requirements for safeguarding to the best of our knowledge. There were no safeguarding incidents reported to the Charity Commission in 2023-24.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**Internal controls assurance**

The Board acknowledges their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict unauthorised use of the Association's assets.
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- Forecasts and budgets are prepared which allow the Board to monitor the key business risks and financial objectives; management accounts are prepared providing financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal board authorisation procedures.
- The Board reviews reports from management, from the internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

The Board has reviewed the effectiveness of the system of internal control in existence in the Association for the year ended 31 March 2024. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

**Board members' report (continued)**  
**For the year ended 31 March 2024**

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**Board members' responsibilities statement**

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

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation require the Board to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under the Co-operative and Community Benefit Society legislation the Board 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 income and expenditure of the Association for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies for the Association's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board 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 to 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 and the Accounting Direction for private registered providers of social housing 2022. 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.

**Disclosure of information to auditor**

Each of the persons who are Board members at the time when this report of the Board is approved has confirmed that:

- so far as the Board is aware, there is no relevant audit information of which the Association's auditor is unaware, and
- the Board has taken all the steps that ought to have been taken as a Board in order to be aware of any relevant audit information and to establish that the Association's auditor is aware of that information.



**Churches Housing Association of Dudley and District Limited**

**Board members' report (continued)  
For the year ended 31 March 2024**

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**Auditor**

The auditor, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**A Walsh**  
Chief Executive Officer

Date: 23 July 2024

## **Opinion**

We have audited the financial statements of Churches Housing Association of Dudley and District Limited (the 'Association') for the year ended 31 March 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 at 31 March 2024 and of its profit 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, the Housing 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

**Independent Auditor's Report to the Members of Churches Housing Association of Dudley and District Limited  
(continued)**

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**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 contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board members' report.

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Board**

As explained more fully in the Board members' responsibilities statement set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either 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 Churches Housing Association of Dudley and District Limited  
(continued)**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board and other management, and from our commercial knowledge and experience of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the financial reporting legislation, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

**Independent Auditor's Report to the Members of Churches Housing Association of Dudley and District Limited  
(continued)**

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- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Association's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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, as a body, 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (senior statutory auditor)

for and on behalf of

**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

23 July 2024

Churches Housing Association of Dudley and District Limited

Statement of comprehensive income  
For the year ended 31 March 2024

|  | Note | 2024<br>£      | 2023<br>£   |
|--|------|----------------|-------------|
| Turnover                                       |      | 6,126,754      | 5,904,725   |
| Operating costs                                |      | (6,023,070)    | (5,652,192) |
| <b>Operating surplus</b>                       | 7    | <b>103,684</b> | 252,533     |
| Interest receivable                            | 8    | 49,250         | 27,549      |
| Interest and financing costs                   | 9    | (23,449)       | (23,594)    |
| <b>Surplus for the year</b>                    |      | <b>129,485</b> | 256,488     |
| Gain/(loss) on investments                     |      | 183,394        | (125,042)   |
| <b>Total comprehensive income for the year</b> |      | <b>312,879</b> | 131,446     |

The notes on pages 25 to 43 form part of these financial statements.

**Churches Housing Association of Dudley and District Limited**  
**Registered number: 22545R**

**Balance sheet**  
**As at 31 March 2024**

|   | Note | 2024<br>£               | 2023<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Tangible fixed assets - housing properties              | 11   | 7,357,753               | 6,992,202               |
| Other tangible fixed assets                             | 12   | 794,767                 | 814,974                 |
| Fixed asset investments                                 | 13   | 2,109,771               | 1,942,726               |
|   |      | <u>10,262,291</u>       | <u>9,749,902</u>        |
| <b>Current assets</b>                                   |      |                         |                         |
| Trade and other debtors                                 | 14   | 440,351                 | 266,702                 |
| Cash and cash equivalents                               |      | 2,675,304               | 2,936,227               |
|   |      | <u>3,115,655</u>        | <u>3,202,929</u>        |
| Creditors: amounts falling due within one year          | 15   | (711,129)               | (517,086)               |
| <b>Net current assets</b>                               |      | <u>2,404,526</u>        | <u>2,685,843</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>12,666,817</u>       | <u>12,435,745</u>       |
| Creditors: amounts falling due after more than one year | 16   | (5,799,589)             | (5,881,396)             |
| <b>Total net assets</b>                                 |      | <u><u>6,867,228</u></u> | <u><u>6,554,349</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                         |
| Called up share capital                                 | 20   | 27                      | 27                      |
| Restricted reserve                                      | 21   | -                       | 230                     |
| Investment revaluation reserve                          | 21   | 465,693                 | 297,152                 |
| Designated reserve                                      | 21   | 377,768                 | 390,861                 |
| Income and expenditure reserve                          | 21   | 6,023,740               | 5,866,079               |
|   |      | <u><u>6,867,228</u></u> | <u><u>6,554,349</u></u> |

**Churches Housing Association of Dudley and District Limited**

**Registered number: 22545R**

**Balance sheet (continued)**

**As at 31 March 2024**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Rt Rev M Gorick**

Chair



**Mrs A Walsh**

Chief Executive Officer



**Mr S Billingham**

Treasurer

Date: 23 July 2024

The notes on pages 25 to 43 form part of these financial statements.



Churches Housing Association of Dudley and District Limited

Statement of changes in equity  
For the year ended 31 March 2024

|                            | Called up<br>share<br>capital<br>£ | Restricted<br>reserve<br>£ | Investment<br>revaluation<br>reserve<br>£ | Designated<br>reserve<br>£ | Income and<br>expenditure<br>reserve<br>£ | Total equity<br>£ |
|----------------------------|------------------------------------|----------------------------|---|----------------------------|---|-------------------|
| <b>At 1 April 2022</b>     | 27                                 | 230                        | 446,655                                   | 519,542                    | 5,456,449                                 | 6,422,903         |
| Surplus for the year       | -                                  | -                          | -   | -                          | 256,488                                   | 256,488           |
| Investment gains           | -                                  | -                          | (125,042)                                 | -                          | -   | (125,042)         |
| Transfers between reserves | -                                  | -                          | (24,461)                                  | (128,681)                  | 153,142                                   | -                 |
| <b>At 1 April 2023</b>     | 27                                 | 230                        | 297,152                                   | 390,861                    | 5,866,079                                 | 6,554,349         |
| Surplus for the year       | -                                  | -                          | -   | -                          | 129,485                                   | 129,485           |
| Investment gains           | -                                  | -                          | 183,394                                   | -                          | -   | 183,394           |
| Transfers between reserves | -                                  | (230)                      | (14,853)                                  | (13,093)                   | 28,176                                    | -                 |
| <b>At 31 March 2024</b>    | 27                                 | -                          | 465,693                                   | 377,768                    | 6,023,740                                 | 6,867,228         |

The notes on pages 25 to 43 form part of these financial statements.

Churches Housing Association of Dudley and District Limited

Statement of cash flows  
For the year ended 31 March 2024

|   | 2024<br>£        | 2023<br>£        |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>         |                  |                  |
| Surplus for the year                                | 129,485          | 256,488          |
| <b>Adjustments for non-cash items:</b>              |                  |                  |
| Depreciation of housing properties                  | 163,584          | 157,401          |
| Depreciation of other fixed assets                  | 20,207           | 20,718           |
| Government grants utilised in the year              | (79,778)         | (79,488)         |
| Interest paid                                       | 23,449           | 23,594           |
| Interest and investment income                      | (49,250)         | (27,549)         |
| (Increase)/decrease in trade and other debtors      | (173,649)        | 259,052          |
| Increase/(decrease) in trade and other creditors    | 193,463          | (62,380)         |
| <b>Net cash generated from operating activities</b> | <b>227,511</b>   | <b>547,836</b>   |
| <b>Cash flows from investing activities</b>         |                  |                  |
| Purchase of tangible fixed assets                   | (529,135)        | (410,261)        |
| Disposal of tangible fixed assets                   | -                | 49,756           |
| Purchase of listed investments                      | (409,124)        | (146,050)        |
| Proceeds from sale of investments                   | 403,322          | 103,017          |
| Interest received                                   | 28,662           | 8,349            |
| Investment income                                   | 20,588           | 19,200           |
| Movement in cash held by investment manager         | 22,151           | 40,078           |
| <b>Net cash from investing activities</b>           | <b>(463,536)</b> | <b>(335,911)</b> |

Churches Housing Association of Dudley and District Limited

Statement of cash flows (continued)  
For the year ended 31 March 2024

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|   | 2024             | 2023            |
|---|------------------|-----------------|
|   | £                | £               |
| <b>Cash flows from financing activities</b>                   |                  |                 |
| Repayment of housing loan                                     | (1,449)          | (1,304)         |
| Interest paid   | (23,449)         | (23,594)        |
|   | <hr/>            | <hr/>           |
| <b>Net cash used in financing activities</b>                  | <b>(24,898)</b>  | <b>(24,898)</b> |
|   | <hr/>            | <hr/>           |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(260,923)</b> | 187,027         |
| Cash and cash equivalents at beginning of year                | <b>2,936,227</b> | 2,749,200       |
|   | <hr/>            | <hr/>           |
| <b>Cash and cash equivalents at the end of year</b>           | <b>2,675,304</b> | 2,936,227       |
|   | <hr/> <hr/>      | <hr/> <hr/>     |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                  |                 |
| Cash at bank and in hand                                      | <b>2,675,304</b> | 2,936,227       |
|   | <hr/> <hr/>      | <hr/> <hr/>     |

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**1. General information**

Churches Housing Association of Dudley and District Limited ("CHADD") is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Registered Provider of Social Housing. It is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the Association information page of these financial statements. The nature of CHADD's operations and principal activities are to provide housing and related support services to vulnerable people within the borough of Dudley.

The Churches Housing Association of Dudley and District Limited constitutes a public benefit entity as defined by FRS 102.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements are presented in the the Association's functional currency of GBP (Sterling). They are prepared to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Board have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorisation of these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Association to be able to continue as a going concern. The Board's assessment of going concern involves a number of subjective judgements including, but not limited to potential increased rent arrears, increased voids, increasing inflation and interest rates, a reduction in property prices and predicted cash outflows associated with fire and building safety and costs associated with achieving energy efficient housing properties.

On this basis the Board is confident that the Association has adequate resources to continue in operation and have adopted the going concern basis in preparing these financial statements.

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Association, the Association has entitlement to the income and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, and value added tax.

Turnover comprises rental income receivable in the year, donations and revenue grants and services receivable in respect of tenanted properties.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Grants of a revenue nature are included in the Statement of Comprehensive Income on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Grants received from non-government sources are recognised using the performance model, where a grant imposes specified future performance-related conditions on the Association. The grant is recognised only when these conditions are met. A grant received before the recognition criteria are satisfied is recognised as deferred income.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**2. Accounting policies (continued)**

**2.4 Social Housing Grant (SHG) and Other government grants**

Government grants, from the Local Authority are received in respect of providing support for domestic abuse victims, youth services, the elderly floating support and alarm maintenance for the elderly. These grants are recognised at the fair value of the asset received or receivable.

Government grants also include grants receivable from Homes England and other government organisations.

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. Grants received for housing properties are recognised in income over the useful economic life of the housing property structure and, where applicable, its individual components (excluding land). The deferred element of grants is included in creditors as deferred income.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Balance Sheet in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the income and expenditure account. Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account.

Grants of a revenue nature are recognised in the Statement of comprehensive income over the same period as the related expenditure or on a systematic basis over the period in which the landlord recognises the related cost for which the grant is intended to compensate. Grants relating to revenue are only recognised once reasonable assurance has been gained that the Association will comply with the conditions.

**2.5 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Interest income includes dividends received from investments.

**2.6 Interest payable**

Interest is capitalised on borrowings related to the development of qualifying assets, to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme after deduction of related grants received in advance. Interest is capitalised up to the date of practical completion and interest arising after that date is charged to the income and expenditure.

Other interest payable is charged to income and expenditure in the year.

**2. Accounting policies (continued)**

**2.7 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Association in independently administered funds.

**2.8 Taxation**

The Association is a Co-operative and Community Benefit society with charitable objectives and therefore, has no liability to Corporation Tax.

**2.9 Operating leases: the Association as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive on a straight-line basis over the lease term.

Notes to the financial statements  
For the year ended 31 March 2024

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2. Accounting policies (continued)

2.10 Tangible fixed assets - housing properties

Social housing properties are initially recognised at cost. After recognition, under the cost model, housing properties are measured at cost less any accumulated amortisation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development and expenditure incurred in respect of improvements.

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property.

Expenditure on existing housing properties is only capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general and cyclical repairs, and day to day maintenance is charged to the income and expenditure account as it is incurred.

Major components of housing properties are separately identified, such as kitchens and bathrooms, and are depreciated separately from the connected housing property, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

Housing properties are assessed annually for impairment indicators by reference to factors such as external valuation reports for housing stock, long term voids, and the results of fire safety and building regulations assessment exercises. Where indicators are identified, an assessment for impairment is undertaken comparing the housing property's carrying amount to its recoverable amount. Where the carrying amount of a housing property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a housing property is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

The Association depreciates the major components of its housing properties to the estimated residual value on a straight-line basis over the remaining expected useful economic life as follows:

|   |   |       |       |
|---|---|-------|-------|
| Structure   | - | 100   | years |
| Roofs   | - | 60    | years |
| Lifts   | - | 25    | years |
| Windows/doors   | - | 30    | years |
| Kitchens  | - | 15    | years |
| Bathrooms   | - | 20    | years |
| Mechanical systems (heating, plumbing, boilers), Electrical systems (wiring, door entry systems) & fire safety mechanisms | - | 15-30 | years |

Freehold land is not depreciated.



Notes to the financial statements  
For the year ended 31 March 2024

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**2. Accounting policies (continued)**

**2.11 Other tangible fixed assets**

Other tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Association assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Association adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Association. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, either using the straight-line method or on a reducing balance basis.

Depreciation is provided on the following basis:

|                                  |  |
|----------------------------------|--|
| Freehold property                | - on a straight-line basis by component category as in 2.10. |
| Fixtures, fittings and equipment | - 20% reducing balance or 10%-33.3% straight-line            |

No depreciation is provided on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as part of the operating surplus/deficit for the year.

**2.12 Investments**

Fixed asset investments (investments in listed company shares) are a form of financial instrument and are initially recognised at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are remeasured to market (fair) value at each balance sheet date, unless the value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and are recognised in the Statement of Comprehensive Income for the period.

**2.13 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**2. Accounting policies (continued)**

**2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.15 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.16 Financial instruments**

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in ordinary shares.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank and other loans which are subsequently measured at amortised cost using the effective interest method.

**2.17 Provisions for liabilities**

Liabilities are recognised when there is an obligation (legal or constructive) at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Association anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Comprehensive Income as a finance cost.

**2.18 Restricted reserves**

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer to or from restricted reserves is then made as appropriate.

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**2. Accounting policies (continued)**

**2.19 Designated reserves**

The Association has established designated reserves earmarked for particular purposes. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made to or from designated reserves as appropriate.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The process of preparing financial statements requires the use of accounting estimates, assumptions and judgements by the Association regarding the future that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided 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 including any components. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and maintenance programmes. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment, changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components.

**Impairment**

Management assesses the impairment of property, plant and equipment subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: significant underperformance relative to historical or projected future operating results; changes in the manner of the use of the acquired assets or the strategy for the overall business; and significant adverse industry or economic trends.

As part of the Association's continuous review of the performance of their assets, management identify any impairment triggers which may affect housing properties. Such triggers include increasing void losses, government policy changes (such as welfare reform changes or rent reductions), any significant damage or repairs are required to any homes, failure to meet energy efficiency standards, or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

Notes to the financial statements  
For the year ended 31 March 2024

4. Turnover, operating costs and operating surplus

|   | Turnover<br>2024<br>£ | Operating<br>costs<br>2024<br>£ | Operating<br>surplus 2024<br>£ | Operating<br>surplus 2023<br>£ |
|---|-----------------------|---------------------------------|--------------------------------|--------------------------------|
| <b>Social housing activity</b>              |                       |                                 |                                |                                |
| Social housing lettings (note 5)            | 3,487,605             | (3,363,059)                     | 124,546                        | 160,966                        |
| <b>Activities other than social housing</b> |                       |                                 |                                |                                |
| Care fee income                             | 2,174,904             | (2,215,018)                     | (40,114)                       | 55,280                         |
| Miscellaneous income                        | 464,245               | (444,993)                       | 19,252                         | 36,287                         |
|   | <u>6,126,754</u>      | <u>(6,023,070)</u>              | <u>103,684</u>                 | <u>252,533</u>                 |

5. Particulars of income and expenditure from social housing lettings

|   | 2024<br>£        | 2023<br>£        |
|---|------------------|------------------|
| <b>Turnover</b>   |                  |                  |
| Rents receivable net of identifiable service charges    | 1,774,233        | 1,480,368        |
| Service charge income                                   | 760,386          | 634,443          |
| Amortised government grants                             | 79,778           | 79,488           |
| Charges for support services                            | 996,590          | 965,700          |
| Void losses   | (123,382)        | (92,902)         |
| <b>Turnover from social housing lettings</b>            | <u>3,487,605</u> | <u>3,067,097</u> |
| <b>Operating expenditure</b>                            |                  |                  |
| Management  | 1,579,555        | 1,380,899        |
| Service charge costs                                    | 1,241,078        | 1,084,992        |
| Routine maintenance                                     | 202,778          | 183,617          |
| Planned maintenance                                     | 110,715          | 40,163           |
| Bad debts   | 8,663            | 6,162            |
| Depreciation  | 183,791          | 178,119          |
| Expenditure allocated to development                    | 36,479           | 32,179           |
| <b>Operating expenditure on social housing lettings</b> | <u>3,363,059</u> | <u>2,906,131</u> |
| <b>Operating surplus on social housing lettings</b>     | <u>124,546</u>   | <u>160,966</u>   |

Notes to the financial statements  
For the year ended 31 March 2024

6. Accommodation owned and in management

|                          | 2024<br>No of<br>properties | 2023<br>No of<br>properties |
|--------------------------|-----------------------------|-----------------------------|
| <b>Social housing</b>    |                             |                             |
| Supported housing        | 165                         | 165                         |
| Housing for older people | 95                          | 95                          |
| <b>Total owned</b>       | <b>260</b>                  | <b>260</b>                  |

7. Operating profit

The operating surplus is stated after charging/(crediting):

|  | 2024<br>£ | 2023<br>£ |
|--|-----------|-----------|
| Depreciation of housing properties                       | 163,584   | 157,400   |
| Depreciation of other tangible fixed assets              | 20,207    | 20,717    |
| Amortisation of government grants                        | (79,778)  | (79,488)  |
| Operating lease rentals - land and buildings             | 210,485   | 191,593   |
| Operating lease rentals - office equipment and computers | 988       | 988       |
| Auditor's remuneration                                   | 14,300    | 13,000    |

8. Interest receivable

|                          | 2024<br>£     | 2023<br>£     |
|--------------------------|---------------|---------------|
| Investment income        | 20,588        | 19,200        |
| Bank interest receivable | 28,662        | 8,349         |
|                          | <b>49,250</b> | <b>27,549</b> |

9. Interest payable and similar expenses

|                           | 2024<br>£ | 2023<br>£ |
|---------------------------|-----------|-----------|
| Interest on housing loans | 23,449    | 23,594    |

Notes to the financial statements  
For the year ended 31 March 2024

10. Employees

Staff costs in the year were as follows:

|                       | 2024<br>£        | 2023<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,419,261        | 3,249,869        |
| Social security costs | 285,662          | 272,779          |
| Pension contributions | 77,673           | 72,870           |
|                       | <u>3,782,596</u> | <u>3,595,518</u> |

The average monthly number of employees during the year was as follows:

|              | 2024<br>No. | 2023<br>No. |
|--------------|-------------|-------------|
| Office staff | 14          | 14          |
| Care staff   | 135         | 145         |
|              | <u>149</u>  | <u>159</u>  |

The key management personnel of the Association are deemed to be the Board together with the Chief Executive, Head of Finance and Head of Supported Housing. Board members are not remunerated. The aggregate remuneration paid to key management personnel in the year was £203,023 (2023 - £200,023). The highest paid Executive received remuneration of £77,034 (2023 - £76,516).

The Chief Executive is a member of a fully funded defined contribution pension scheme. She is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

Notes to the financial statements  
For the year ended 31 March 2024

11. Tangible fixed assets - housing properties

|                       | Social<br>housing<br>properties<br>£ |
|-----------------------|--------------------------------------|
| <b>Cost</b>           |                                      |
| At 1 April 2023       | 10,925,571                           |
| Additions             | 529,135                              |
| At 31 March 2024      | <u>11,454,706</u>                    |
| <b>Amortisation</b>   |                                      |
| At 1 April 2023       | 3,933,369                            |
| Charge for the year   | 163,584                              |
| At 31 March 2024      | <u>4,096,953</u>                     |
| <b>Net book value</b> |                                      |
| At 31 March 2024      | <u><u>7,357,753</u></u>              |
| At 31 March 2023      | <u><u>6,992,202</u></u>              |

All properties are owned freehold.

The total value of freehold land included in the cost of social housing properties above is £230,487 (2023 - £164,569).

**Expenditure on works to existing properties**

|   | 2024<br>£             | 2023<br>£             |
|---|-----------------------|-----------------------|
| Improvement works capitalised             | 35,256                | 77,975                |
| Components capitalised                    | 493,879               | 280,600               |
| Amounts charged to income and expenditure | 313,493               | 223,780               |
|   | <u><u>842,628</u></u> | <u><u>582,355</u></u> |

Notes to the financial statements  
For the year ended 31 March 2024

Social housing assistance

|   | 2024<br>£        | 2023<br>£        |
|---|------------------|------------------|
| <b>Total accumulated social housing grants</b>      |                  |                  |
| Recognised in the Statement of Comprehensive Income | 79,778           | 79,488           |
| Held as deferred income                             | 5,669,359        | 5,748,596        |
|   | <u>5,749,137</u> | <u>5,828,084</u> |

12. Tangible fixed assets - Other

|                       | Freehold<br>property<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£       |
|-----------------------|---------------------------|---|------------------|
| <b>Cost</b>           |                           |   |                  |
| At 1 April 2023       | 795,505                   | 392,034                                     | 1,187,539        |
| At 31 March 2024      | <u>795,505</u>            | <u>392,034</u>                              | <u>1,187,539</u> |
| <b>Depreciation</b>   |                           |   |                  |
| At 1 April 2023       | 36,491                    | 336,074                                     | 372,565          |
| Charge for the year   | 10,112                    | 10,095                                      | 20,207           |
| At 31 March 2024      | <u>46,603</u>             | <u>346,169</u>                              | <u>392,772</u>   |
| <b>Net book value</b> |                           |   |                  |
| At 31 March 2024      | <u>748,902</u>            | <u>45,865</u>                               | <u>794,767</u>   |
| At 31 March 2023      | <u>759,014</u>            | <u>55,960</u>                               | <u>814,974</u>   |

The total value of freehold land included in the cost of freehold property above is £159,101 (2023 - £159,101).



Notes to the financial statements  
For the year ended 31 March 2024

13. Fixed asset investments

|                         | Listed<br>investments<br>£ | Cash trading<br>account<br>£ | Total<br>£       |
|-------------------------|----------------------------|------------------------------|------------------|
| <b>Market valuation</b> |                            |                              |                  |
| At 1 April 2023         | 1,940,457                  | 2,269                        | 1,942,726        |
| Additions               | 409,124                    | (409,124)                    | -                |
| Disposals               | (388,469)                  | 403,322                      | 14,853           |
| Income net of fees      | -                          | 27,550                       | 27,550           |
| Revaluations            | 124,642                    | -                            | 124,642          |
|                         | <u>2,085,754</u>           | <u>24,017</u>                | <u>2,109,771</u> |

14. Debtors

|  | 2024<br>£      | 2023<br>£      |
|--|----------------|----------------|
| Rent, service charges and care fees receivable | 317,553        | 156,843        |
| Less: provision for bad and doubtful debts     | (13,499)       | (10,834)       |
| <b>Net rental debtors</b>                      | <u>304,054</u> | <u>146,009</u> |
| Prepayments and accrued income                 | 136,297        | 120,693        |
|  | <u>440,351</u> | <u>266,702</u> |

15. Creditors: Amounts falling due within one year

|                              | 2024<br>£      | 2023<br>£      |
|------------------------------|----------------|----------------|
| Housing loans                | 950            | 950            |
| Trade creditors              | 257,218        | 126,714        |
| Rents in advance             | 71,982         | 68,735         |
| Accruals and deferred income | 301,201        | 241,489        |
| Deferred grant income        | 79,778         | 79,198         |
|                              | <u>711,129</u> | <u>517,086</u> |

Notes to the financial statements  
For the year ended 31 March 2024

16. Creditors: Amounts falling due after more than one year

|                       | 2024<br>£        | 2023<br>£        |
|-----------------------|------------------|------------------|
| Housing loans         | 210,009          | 211,458          |
| Deferred grant income | 5,589,580        | 5,669,938        |
|                       | <u>5,799,589</u> | <u>5,881,396</u> |

Housing loans are secured by specific charges on the Association's housing properties and are repayable at rates of interest between 9% and 12%.

17. Deferred grant income

|                                | 2024<br>£        | 2023<br>£        |
|--------------------------------|------------------|------------------|
| At 1 April                     | 5,749,137        | 5,770,610        |
| Grants recycled                | -                | 58,015           |
| Released to income in the year | (79,778)         | (79,488)         |
| <b>At 31 March</b>             | <u>5,669,359</u> | <u>5,749,137</u> |

18. Recycled capital grant fund

|                    | 2024<br>£ | 2023<br>£ |
|--------------------|-----------|-----------|
| At 1 April         | -         | 58,015    |
| Grants recycled    | -         | (58,015)  |
| <b>At 31 March</b> | <u>-</u>  | <u>-</u>  |

Notes to the financial statements  
For the year ended 31 March 2024

19. Loans

Analysis of the maturity of housing loans is given below:

|  | 2024<br>£      | 2023<br>£      |
|--|----------------|----------------|
| <b>Amounts falling due within one year</b>         |                |                |
| Housing loans                                      | 950            | 950            |
| <b>Amounts falling due 1-2 years</b>               |                |                |
| Housing loans                                      | 950            | 950            |
| <b>Amounts falling due 2-5 years</b>               |                |                |
| Housing loans                                      | 2,850          | 2,850          |
| <b>Amounts falling due after more than 5 years</b> |                |                |
| Housing loans                                      | 206,209        | 207,658        |
|  | <u>210,959</u> | <u>212,408</u> |

20. Share capital

|   | 2024<br>£ | 2023<br>£ |
|---|-----------|-----------|
| <b>Each member of the Committee of Management holds one £1 share in the Association</b> |           |           |
| 27 (2023 - 27) shares of £1 each  | 27        | 27        |
|   | <u>27</u> | <u>27</u> |

Notes to the financial statements  
For the year ended 31 March 2024

## 21. Reserves

|   | Balance at 1<br>April 2023 | Income    | Expenses    | Tranfers<br>in/(out) | Gains/<br>(Losses) | Balance at<br>31 March<br>2024 |
|---|----------------------------|-----------|-------------|----------------------|--------------------|--------------------------------|
|   | £                          | £         | £           | £                    | £                  | £                              |
| <b>Restricted<br/>reserve</b>                             |                            |           |             |                      |                    |                                |
| Stickley Lane   | 230                        | -         | (230)       | -                    | -                  | -                              |
| <b>Investment<br/>revaluation<br/>reserve</b>             | 297,152                    | -         | -           | (14,853)             | 183,394            | 465,693                        |
| <b>Designated<br/>reserves</b>                            |                            |           |             |                      |                    |                                |
| Welfare fund -<br>Younger People<br>and domestic<br>abuse | 85,340                     | 3,256     | (16,759)    | -                    | -                  | 71,837                         |
| St Marks House  | 300,000                    | -         | -           | -                    | -                  | 300,000                        |
| Communtiy<br>Support<br>Activities                        | -                          | 2,662     | (1,503)     | -                    | -                  | 1,159                          |
| Meg & Charlie<br>Project                                  | 5,229                      | 2,403     | (6,425)     | -                    | -                  | 1,207                          |
| Change into<br>Action                                     | 292                        | 4,043     | (770)       | -                    | -                  | 3,565                          |
|   | 390,861                    | 12,364    | (25,457)    | -                    | -                  | 377,768                        |
| <b>Income and<br/>expenditure<br/>reserve</b>             | 5,866,079                  | 6,163,640 | (6,020,832) | 14,853               | -                  | 6,023,740                      |
| Accumulated<br>reserves                                   | 6,554,322                  | 6,176,004 | (6,046,519) | -                    | 183,394            | 6,867,201                      |

**Notes to the financial statements**  
**For the year ended 31 March 2024**

**Purpose of reserves**

**Restricted reserve**

The Stickley lane funds represent residents' funds to be spent to benefit the residents of Stickley Lane.

**Designated reserve**

Welfare Fund Reserves are designated to be spent specifically on the service areas of Younger People, Domestic Abuse and Older People.

St Marks House funds are designated to be spent within the service area of Mental Health.

Community Support Activities fund represents proceeds from community support activities such as day care activities and trips. These funds are to be spent on activities within the care sector.

Meg & Charlie project funds are a provision for pets for women in refuge and days out for moms and children within refuge.

Change into Action represent funding adopted by Dudley Metropolitan Borough Council to enable local people to donate to charities to help people setting up home for the first time.

**Investment revaluation reserve**

The difference on transition between the fair value of fixed asset investments (listed investments) and the historical cost carrying value is credited to the revaluation reserve.

**22. Analysis of net debt**

|                                 | At 1 April<br>2023<br>£ | Cash flows<br>£  | At 31 March<br>2024<br>£ |
|---------------------------------|-------------------------|------------------|--------------------------|
| Cash                            | 2,936,227               | (260,923)        | 2,675,304                |
| Housing loans due after 1 year  | (211,458)               | 1,449            | (210,009)                |
| Housing loans due within 1 year | (950)                   | -                | (950)                    |
|                                 | <u>2,723,819</u>        | <u>(259,474)</u> | <u>2,464,345</u>         |

**23. Pension commitments**

The association operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £77,673 (2023 - £72,870). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date and are included in other creditors.

Notes to the financial statements  
For the year ended 31 March 2024

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**24. Commitments under operating leases**

At 31 March 2024 the Association had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | <b>2024</b>             | <b>2023</b>      |
|--|-------------------------|------------------|
|  | <b>£</b>                | <b>£</b>         |
| Not later than 1 year                        | <b>122,977</b>          | 106,731          |
| Later than 1 year and not later than 5 years | <b>489,617</b>          | 424,202          |
| Later than 5 years                           | <b>2,366,482</b>        | 2,047,541        |
|  | <b><u>2,979,076</u></b> | <u>2,578,474</u> |

**25. Related party transactions**

The Association considers the key management personnel to be the Board and Executive Team. Disclosures in relation to key management personnel are included in note 10.

There were no other related party transactions in either year.