

Registered number: 24640R

**ST PETER'S (SALTLEY) HOUSING
ASSOCIATION LIMITED**

Financial Statements

Year ended 31 March 2024

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

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ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

INFORMATION

BOARD OF MANAGEMENT

Ken Hazeldene (Chair)
Lisa Barnes (Vice Chair)
Faisal Nasim (resigned January 2024)
Mark Pinnell
Alan Hamer
Jon Dickin
Tansy Crowley-Sweet
Catherine Brindson (appointed December 2023)
Dave Livesey (appointed June 2023)

CHIEF EXECUTIVE

Francis Healy

REGISTERED OFFICE

Burrows Hall
Bridge Road
Saltley
Birmingham
B8 3TE

REGULATOR OF SOCIAL HOUSING (RSH)

L3519

REGISTERED SOCIETY NUMBER (under charity rules)

24640R

AUDITOR

Beever and Struthers
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

BANKERS

Barclays Bank PLC
Small Heath Branch
534 Coventry Road
Small Heath
Birmingham
B10 0UP

STRATEGIC REPORT

The Board present their Strategic Report incorporating the Board Report and the financial statements for the year ended 31 March 2024.

REVIEW OF THE ASSOCIATION

St Peter's (Saltley) Housing Association Limited is a Charitable Registered Society under the Co-operative and Community Benefits Society Act 2014. The principal activity of the Association is to provide good quality, affordable, rented homes for people in housing need. The Association owns and manages 105 units (excluding the Fred Winter Centre). There are 99 flats on the St Peter's site (including 41 flats for the over 50), and 6 houses nearby. The Association also leases 513 units of homeless accommodation managed on St Peter's behalf by Spring Housing.

The Saltley neighbourhood in which St Peter's operates is a significantly economically disadvantaged part of Birmingham where poverty, vulnerability and limited opportunity are key issues. Many of our tenants face an increasing challenge to maintain their tenancies as a result of the government's welfare reform agenda. We recognise and aim to respond to this, going beyond legislative requirements to improve the lives of our customers.

We are committed to helping our tenants have sustainable tenancies and be active members of the community. Where a tenant is having problems maintaining their tenancy we will help and signpost them to the right help, and liaise with other agencies, including benefits, social services, and police where relevant.

This year the Association has reported an operating surplus of £89,782 compared to an operating surplus of £110,775 in the previous year. The reduction from 2022/23 relates primarily to general cost pressures and due to the economic conditions and operational activity.

THE BOARD OF MANAGEMENT

The members, who are non-executive directors, set out below have held office during the whole of the period from 1st April 2023 to the date of this report unless otherwise stated.

- Ken Hazeldene
- Lisa Barnes
- Mark Pinnell
- Alan Hamer
- Faisal Nasim (resigned January 2024)
- Jon Dickin
- Tansy Crowley-Sweet
- Dave Livesey (appointed June 2023)
- Catherine Brindson (appointed December 2023)

BOARD OF MANAGEMENT AND STAFF

The Board of Management, which is responsible for the management of the Association's affairs, comprises no more than twelve and no fewer than five members. The Board Members, who, apart from the Chair of the Board and the Chair of the Audit and Governance Committee, are unpaid, are drawn from a wide background bringing together a range of skills knowledge and experience. The Board meets at least 4 times a year as does the Audit & Governance Committee which reports to the Board on its delegated areas of activity.

The Board obtains external specialist advice from time to time as necessary.

The staff team comprises the Chief Executive, Finance Director, Housing Services Manager, Finance Officer, Property Maintenance Supervisor, Housing Services Officer and an Administration Assistant. The Board delegates day to day management and implementation of its strategies and policies to the Chief Executive who attends Board Meetings. Other staff are invited to attend meetings as and when necessary.

VALUE FOR MONEY

Overall summary statement of Value for Money (VFM) performance

St Peter's recognises its responsibility to achieve value for money from all its activities, however they may be funded. Our strategy is to embed value for money as part of our ongoing business processes and decisions.

STRATEGIC REPORT

We have a commitment to manage resources economically, efficiently and effectively ensuring that we remain economically viable, whilst providing quality services and homes which deliver ongoing planned improvements that deliver value for money.

St Peter's strives to deliver what matters to both our customers and stakeholders in the most cost-effective way. We believe that by improving our services in response to our customer and stakeholder needs, we will contribute to the sustainability of the community in which we operate. Our goal is to achieve the best value for money for customers and our strategy sets out our approach and plan for achieving that ambition.

We are continuing to lease a number of properties with housing management and support provided via a management agreement with a third party, Spring Housing. This equates to 19.0% of our total income. This income has provided resources for investment in our properties and for the provision of day to day management services. This relationship is due to end by the end of 2024/25 as a part of the future strategic direction of the business as we, wish to move away from exempt accommodation provision leasehold arrangements with partners.

The strategic direction for St Peter's is set out in our Corporate Plan which is delivered each year via an Annual Plan. The Annual Plan includes a suite of key qualitative and quantitative performance indicators that help the Board and Executive identify whether St Peters is delivering value for money and ensures key risks are being actively managed. Our 10-year financial plan has been updated to reflect our current budget position and a range of stress tests to have been carried out to test viability. The tests have resulted in a plan to manage the risks identified.

We have identified our asset investment priorities for the next 10 years. The main investments are key component renewals to maintain the standard of the stock. Our financial plans are modelled to ensure that going forward the stock is maintained to the high standard. The majority of St Peter's own housing stock (99 units) is located within a Grade II listed building (the former St Peter's College). This means that long-term asset management presents particular challenges that are unusual for Registered providers of social housing. Our asset management plan seeks to reflect these. St Peters continues to invest significantly in the existing housing stock to ensure that the properties are maintained to a good standard.

ST PETERS PERFORMANCE AGAINST REGULATORY METRICS

Metric	2022/23	2023/24	Peer Group Medium *
Business Health			
Operating Margin % (overall)	11.2%	8.5%	15.6%
Operating Margin (social housing lettings)	-0.4%	0.3%	16.7%
EBITDA MRI interest cover %	N/A	N/A	N/A
Development (Capacity and Supply)			
New supply delivered %	0%	0%	0%
Gearing %	0%	0%	0%
Effective Asset Management			
ROCE	5.2%	4.0%	2.9%
Operating efficiency			
Headline social housing cost per unit	£7,827	£8,739	£4,133
Community Investment £			
Reinvestment %	1.9%	1.1%	1.2%

Metric	2022/23	2023/24	Peer Group Medium *
Outcomes Delivered			
Customer satisfaction with St Peters as a landlord	100%	100%	84%
Customer satisfaction with Repairs service	100%	95%	80%
Number of individual tenant support cases managed per year.	N/A	61	N/A
To maintain our minimum cash balance of £125,000	£860,000	£963,000	N/A

STRATEGIC REPORT

* Peer group includes 19 West Midlands smaller housing associations (largely less than 1,000 stock) with a profile similar to St Peters.(Some information from the other peer group appeared outstanding at the point of preparing this report)

The analysis and comparison of the above metrics indicates that St Peter's financial position compares favourably to our Peer Group (bearing in mind * above). In particular it should be noted that St Peter's has repaid all outstanding debt.

The Operating Margin is considered to be strong and our cash balances are improved compared to 2023/24 (at £963,000 compared to £860,000) and are in a good position compared to the minimum cash balances threshold set by the Board of £125,000.

The indicator on social housing cost per unit is a reflection of the diseconomies of scale for St Peter's (our fixed operational costs e.g. insurance are disproportionate for our size).

INTERNAL CONTROLS ASSURANCE

There is no regulatory requirement for the Board to publish a statement on internal controls assurance, but it has decided to do so.

The Board acknowledges its responsibility for the system of internal controls and for reviewing its effectiveness mindful of the objectives of, and risks facing, the Association.

The Board confirms that there are ongoing processes for maintaining sound systems of internal control and for managing risks.

COMPLIANCE WITH THE RSH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Board confirms that the Association complies with the requirements of the revised Governance and Financial Viability Standard applicable for the year, including the requirements to have in place an up to date Asset & Liabilities Register and to adhere to all relevant law.

COMPLIANCE WITH CODE OF GOVERNANCE

The Board confirms that the Association has adopted and complies with the requirements of the NHF 2015 Code of Governance. In June 2018 the Board adopted HQN's Alternative Merger Code regarding Mergers, Group Structures and Partnerships. The Board have reviewed the new NHF Code of Governance (issued November 2020) and will adopt the principles contained within it as appropriate. This will be reflected in any future constitution reviews that may be undertaken by the Board.

BOARD MEMBERS' RESPONSIBILITIES

Registered Provider legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs at the end of the financial year and of the income and expenditure of the Association for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the Association is a going concern.

The Board is responsible for ensuring that arrangements are made for keeping proper accounting records with respect to the Association's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Association's accounting records and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOARD MEMBERS' INDEMNITY

The Board Members have confirmed that the Association does have Trustee Indemnity / Directors and Officers Insurance in place.

STRATEGIC REPORT

FINANCIAL INSTRUMENTS

The Association does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Association does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are Board Members of the Association at the date when this report was approved:

- so far as each of the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware; and
- each of the Board Members has taken all the steps that they ought to have taken as a Board Member to make them aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Approved by the Audit and Governance Committee on the 5 August 2024 and the Board on 16 September 2024 and signed on its behalf by:

Ken Hazeldene (Chair)

AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of St Peter's (Saltley) Housing Association Limited (the 'association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

AUDITOR'S REPORT TO THE MEMBERS

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 4, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the association's activities and the regulated nature of the association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

AUDITOR'S REPORT TO THE MEMBERS

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. 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.

Beever and Struthers, Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date:

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 March 2024**

	Notes	2024 £	2023 £
TURNOVER	3	1,064,902	1,007,335
Operating costs	3	(975,120)	(896,560)
OPERATING SURPLUS	3	89,782	110,775
Finance income		12,017	6
Interest and financing costs	5	(2,437)	(2,424)
Surplus for the year		99,362	108,357
Other comprehensive income			
Actuarial (loss)/gain in respect of the pension scheme	16	(24,000)	(12,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		75,362	96,357

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Notes	2024 £	2023 £
TANGIBLE FIXED ASSETS			
Housing properties – cost less depreciation	9	6,658,938	6,913,511
Other property, plant & equipment	9	72,129	87,766
TOTAL FIXED ASSETS		6,731,067	7,001,277
CURRENT ASSETS			
Debtors	10	18,577	52,945
Cash at bank and in hand		962,519	859,548
		981,096	912,493
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(340,963)	(356,301)
NET CURRENT ASSETS		640,133	556,192
TOTAL ASSETS LESS CURRENT LIABILITIES			
		7,371,200	7,557,469
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(5,056,345)	(5,320,975)
PENSION LIABILITY	16	(95,000)	(92,000)
NET ASSETS		2,219,855	2,144,494
CAPITAL AND RESERVES			
Share capital	15	44	43
Revenue reserves		2,219,811	2,144,451
TOTAL CAPITAL AND RESERVES		2,219,855	2,144,494

The financial statements on pages 9 to 29 were approved by the Board of Management on 16 September 2024 and were signed on its behalf by:

Ken Hazeldene (Chair)

Alan Hamer (Chair of the Audit and Governance Committee)

Francis Healy (Chief Executive/Company Secretary)

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2024

	Revenue reserves 2024 £	Revenue reserves 2023 £
BALANCE AT 1 APRIL	2,144,451	2,048,094
Surplus from statement of comprehensive income	75,362	96,357
 BALANCE AT 31 MARCH	 <u>2,219,813</u>	 <u>2,144,451</u>

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Notes	2024		2023	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	See below		169,778		411,329
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest received		12,017		6	
Interest paid		(2,437)		(2,424)	
Housing loan repaid		-		-	
Share capital issued		-		-	
			9,580		(2,418)
CASH FLOWS FROM INVESTING ACTIVITIES					
Works to housing properties		(54,573)		(139,630)	
Purchase of other fixed assets		(21,814)		(51,576)	
			(76,387)		(191,206)
NET CHANGE IN CASH AND CASH EQUIVALENTS			102,971		217,705
Cash and cash equivalents at the beginning of the year			859,548		641,843
Cash and cash equivalents at the end of the year			962,519		859,548
Reconciliation of operating surplus to net cash inflow from operating activities					
			2024		2023
			£		£
Operating surplus for the year			89,782		110,775
Fred Winter House Grant			-		16,257
Movement in debtors			34,368		311,953
Movement in creditors			(15,338)		(55,598)
Depreciation			315,408		288,648
Amortisation of capital grants			(231,021)		(206,846)
Loss on write off of components			248		1,555
Other adjustments			(23,669)		(55,416)
Net cash inflow from operating activities			169,778		411,329
Reconciliation of changes in net funds					
		At Beginning of the Year	Cash Flows	At End of Year	
		£	£	£	
Cash and cash equivalents		859,548	102,971	962,519	
Housing loans due in one year		-	-	-	
Housing loans due after one year		-	-	-	
		859,548	102,971	962,519	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and the Housing and Regeneration Act 2008. St Peter's (Saltley) Housing Association is a public benefit entity (PBE), as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

(b) Statement of compliance

St Peter's (Saltley) Housing Association has prepared its financial statements in accordance with FRS 102.

(c) Turnover

Turnover primarily represents rents and service charges receivable (net of losses from voids), Supporting People Grant, Amortisation of Government Grants and management fee income from Spring Housing.

(d) Depreciation and impairment

Housing Properties

Freehold land is not depreciated. Depreciation is charged so as to write off the cost of freehold housing properties, to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

General needs houses-structure: 100 years

Major components are treated as separable assets and depreciated over their expected useful life as follows:

Roof:	70 years	Electrical installations:	40 years (some minor elements 10 years)
Kitchens:	30 years	Lifts:	30 years
Bathrooms:	30 years	Windows:	30 years
Central Heating:	30 years	Boilers:	15 years
Domestic fixtures and fittings: 5 to 15 years dependent on asset type.			

Properties held on long lease are depreciated over the remaining life of the lease. This policy has been applied to the new Fred Winter Project. This is a 15 year lease and both the grant amortisation and depreciation will be reflected over this period in future financial statements.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. ACCOUNTING POLICIES (Continued)

Other property, plant & equipment (PP&E)

Depreciation is calculated to write off the cost of other PP&E over their estimated useful lives as follows:

Office fixtures and fittings	- 20% straight line
Computer equipment	- 33⅓% straight line
Security system	- 10% straight line

(e) Social Housing Grant (SHG) and other grants

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure.

Grants received from non-government sources are recognised as revenue using the performance model.

(f) Improvements to properties

Expenditure on existing housing properties, other than the replacement of components, is capitalised when it:

- Relates to a major overhaul of the property.
- Improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

(g) Interest and financing costs

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the income and expenditure account.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily known amounts of cash and are subject to an insignificant risk of change in value.

(i) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

(j) Pension costs

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme

The Association participates in an industry wide multi-employer defined benefit pension scheme. The employer is required to recognise the surplus or deficit in the Statement of Financial Position and the resulting expense in surplus or deficit in the Statement of Comprehensive Income. Any changes that arise as a result of actuarial assumptions is recognised as Other Comprehensive Income. Note 16 reflects the Association's fair share of assets and obligations.

(k) Supported housing and other managing agents

Where the association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), and where there has been a substantial transfer of risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. ACCOUNTING POLICIES (Continued)

(l) Financial instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financing transactions

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Association undertakes an annual review of its business plan together with stress testing and sensitivity analysis. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Provisions

Provision is made for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2024		
	Turnover £	Operating Costs £	Operating Surplus £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3a)	920,077	(917,641)	2,436
OTHER INCOME AND EXPENDITURE	144,825	(57,479)	87,346
Other			
TOTAL	1,064,902	(975,120)	89,782
	2023		
	Turnover £	Operating Costs £	Operating Surplus £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3a)	817,319	(821,805)	(4,486)
OTHER INCOME AND EXPENDITURE	190,016	(74,755)	115,261
Other			
TOTAL	1,007,335	(896,560)	110,775

3a INCOME AND EXPENDITURE FROM LETTINGS

	2024 £	2023 £
Income from lettings - Housing accommodation		
Rent receivable	503,459	465,423
Service charges receivable (incl' SP income)	185,597	145,050
Amortisation of government grants (Note 13)	231,021	206,846
Total income from lettings	920,077	817,319
Expenditure on letting activities - Housing accommodation		
Services	170,911	150,747
Management	365,165	321,548
Routine maintenance	61,088	51,304
Major repairs expenditure	17,028	22,708
Rent losses from bad debts	3,739	4,225
Depreciation of housing properties	299,461	269,716
Write off of components	249	1,557
Total expenditure on lettings	917,641	821,805
Operating surplus on letting activities	2,436	(4,486)
Rent losses from voids	1,384	3,543

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. SURPLUS FOR THE YEAR

	2024	2023
	£	£
The surplus for the year is stated:		
after charging / (crediting):		
Depreciation of tangible fixed assets	315,408	288,648
Amortisation of government grants	(231,021)	(206,846)
Write off of components	249	1,556
Auditors' remuneration - audit services (incl VAT)	9,000	6,618
- other services	-	-
	<u><u> </u></u>	<u><u> </u></u>

5. INTEREST AND FINANCING COSTS

	2024	2023
	£	£
On loan repayable wholly or partly within five years	-	-
Defined benefit pension charge	2,437	2,424
	<u><u>2,437</u></u>	<u><u>2,424</u></u>

6. TAXATION

No taxation charge arises as the Association has been granted charitable status by HM Revenue & Customs.

7. STAFF COSTS

	2024	2023
	£	£
Staff costs including directors:		
Wages and salaries	193,910	165,413
Social security costs	17,199	14,527
Pension and other costs	32,054	30,346
	<u><u>243,163</u></u>	<u><u>210,286</u></u>
	Number	Number
Average number of persons expressed as full-time equivalents (including the directors) employed during the year:		
Office staff	4	4
Service staff	1	1
	<u><u>5</u></u>	<u><u>5</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

8. DIRECTORS' AND THE EXECUTIVE OFFICERS' EMOLUMENTS

	2024	2023
	£	£
Emoluments (including pension contributions and benefits in kind)	57,300	32,836

The emoluments of directors and the executive officers disclosed above (excluding pension contributions and benefits in kind) include amounts paid to:

The highest paid director – Chief Executive Officer (CEO)	57,300	32,836
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The Association does not make any contributions to the individual pension arrangements of the Chief Executive Officer.

Board member emoluments

	2024	2023
	£	£
Emoluments	5,618	4,523

The Chair of the Board and the Chair of the Audit & Governance Committee received emoluments during 2023/24. The payment of the emoluments to the Chair of the Board commenced in December 2015 and the payments for the Chair of the Audit & Governance Committee commenced in October 2022. Neither of the Chairs participate in the Social Housing Pension Scheme.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

9. TANGIBLE FIXED ASSETS

	Housing properties for letting £	Fred Winter Hostel* £	Other property, plant & equipment £	Total £
COST				
At 31 March 2023	7,972,502	1,550,564	296,973	9,820,039
Additions	54,573	-	310	54,883
Disposals	(23,527)	-	-	(23,527)
At 31 March 2024	8,003,548	1,550,564	297,283	9,851,395
DEPRECIATION				
At 31 March 2023	2,532,028	77,528	209,207	2,818,763
Charge for year	196,090	103,371	15,947	315,408
Eliminated on disposals	(13,843)	-	-	(13,843)
At 31 March 2024	2,714,275	180,899	225,154	3,120,328
NET BOOK VALUE				
At 31 March 2024	5,289,273	1,369,665	72,129	6,731,067
At 31 March 2023	5,440,475	1,473,036	87,766	7,001,277

£

The net book value of housing properties above comprises:

Freehold	306,131
Long Leasehold	4,983,143
Short Leasehold	1,369,664
	6,658,938

Expenditure on housing properties for letting comprises:

£

Replacement of components	54,573
Routine maintenance (note 3a)	61,088
Major repairs expenditure (note 3a)	17,028
Total works to completed properties	132,689

* Fred Winter Hostel is a 15 year leasehold property, depreciation is being charged over the 15 year term of the lease

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

10. DEBTORS

	2024	2023
	£	£
Amounts falling due within one year:		
Rental and service charge debtors	29,731	24,210
Less: provision for bad debts	(19,852)	(16,512)
	<u>9,879</u>	<u>7,698</u>
Other debtors	8,698	28,990
Other Grant Debtors	-	16,257
	<u>18,577</u>	<u>52,945</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	51,559	99,332
Dilapidation provision	50,500	40,400
Prepaid rent	7,883	9,723
Government grants (note 13)	231,021	206,846
	<u>340,963</u>	<u>356,301</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Government grants (note 13)	5,056,345	5,320,975
	<u>5,056,345</u>	<u>5,320,975</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

13. GOVERNMENT GRANTS – DEFERRED INCOME

	2024	2023
	£	£
At 1 April 2023	5,527,821	5,734,333
Fred Winter House	-	16,257
Amortisation to statement of comprehensive income	(231,021)	(206,846)
Elimination of grant on disposals	(9,434)	(15,923)
	<u>5,287,366</u>	<u>5,527,821</u>
At 31 March 2024	5,287,366	5,527,821
Due < 1 year	<u>231,021</u>	<u>206,846</u>
Due > 1 year	<u>5,056,345</u>	<u>5,320,975</u>

14. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised by category below:

Financial assets

Measured at undiscounted amount receivable

- Rent arrears and other debtors (see note 10)

Financial liabilities

Measured at undiscounted amount payable

- Trade and other creditors (see note 11)

15. SHARE CAPITAL

	2024	2023
	£	£
At 31 March 2023	43	43
Issued during the year	1	-
	<u>44</u>	<u>43</u>
Forfeited during the year	-	-
	<u>44</u>	<u>43</u>
At 31 March 2024	<u>44</u>	<u>43</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

16. PENSION OBLIGATIONS

The company participates in the Social Housing Pension Scheme (the Scheme), a multi- employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. and a Recovery Plan has been put in place with the aim of removing any deficits by 30 September 2026.

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

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable company to account for the Scheme as a defined benefit scheme.

For accounting purposes, the liability figures from re-valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2024	31 March 2023
	(£'000s)	(£'000s)
Fair value of plan assets	393	383
Present value of defined benefit obligation	488	475
Surplus /(deficit) in plan	(95)	(92)
Unrecognised surplus		
Defined benefit asset /(liability) to be recognised	(95)	(92)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

Year ended 31 March 2024 (£000s)	2024	2023
Defined benefit obligation at start of year	475	667
Current service cost	3	5
Expenses	2	2
Interest expense	23	19
Member contributions	4	4
Actuarial losses (gains) due to scheme experience	2	(32)
Actuarial losses (gains) due to changes in demographic assumptions	(6)	(1)
Actuarial losses (gains) due to changes in financial assumptions	3	(172)
Benefits paid and expenses	(18)	(17)
Defined benefit obligation at end of year	488	475

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

Year ended 31 March 2024 (£000s)	2024	2023
Fair value of plan assets at start of year	383	568
Interest income	19	16
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(25)	(217)
Employer Contributions	30	29
Member Contributions	4	4
Benefits paid and expenses	(18)	(17)
Fair value of plan assets at end of year	393	383

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£6,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

Year from 31 March 2023 to 31 March 2024 (£000s)	2024	2023
Current service cost	3	5
Expenses	2	2
Net interest expense	4	3
Defined benefit costs recognised in statement of comprehensive income (SOCl)	9	10

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024 (£000s)	2024	2023
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(25)	(217)
Experience gains and losses arising on the plan liabilities - gain (loss)	(2)	32
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	6	1
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(3)	172
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(24)	(12)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	(24)	(12)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

ASSETS

	31 March 2024 (£'000s)	31 March 2023 (£'000s)
Global Equity	39	7
Absolute Return	15	4
Distressed Opportunities	14	12
Credit Relative Value	13	14
Alternative Risk Premia	12	1
Fund of Hedge Funds	-	-
Emerging Markets Debt	5	2
Risk Sharing	23	28
Insurance-Linked Securities	2	10
Property	16	16
Infrastructure	40	44
Private Debt	15	17
Opportunistic Liquid Credit	15	16
High Yield	1	1
Opportunistic Credit	-	-
Cash	8	3
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	3	12
Secured Income	12	18
Over 15 Year Gilts	-	-
Liability Driven Investment	160	176
Currency Hedging	-	1
Net Current Assets	1	1
Total assets	393	383

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

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

KEY ASSUMPTIONS

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.87	4.89
Inflation (RPI)	3.19	3.20
Inflation (CPI)	2.76	2.72
Salary Growth	3.76	3.72

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

17. CAPITAL COMMITMENTS

	2024 £	2023 £
Capital expenditure contracted for but not provided for in the financial statements	-	-
Capital expenditure authorised but not yet contracted for in the financial statements	143,147	84,367

The above commitments will be financed from existing cash balances.

18. OTHER FINANCIAL COMMITMENTS

At 31 March 2024 the Association was committed to making the following payments under non-cancellable operating leases.

	Land & buildings		Other	
	2024 £	2023 £	2024 £	2023 £
Operating leases which expire:				
Within one year	7,700	7,700	-	-
Within two to five years	10,267	17,967	-	-
	17,967	25,667	-	-

19. UNITS IN MANAGEMENT

	2024 Number	2023 Number
All completed social housing units:		
General needs	64	64
Supported and housing for older people	41	41
	105	105

The Association also leases a further 513 units (2023 513 units) that are managed by others.

The Association has a management agreement in place with Spring Housing for the provision of social housing and housing-related support services. The accommodation covered by the agreement is leased from a range of freeholders and offered for rent to vulnerable people as Exempt Supported Accommodation. During 2023/24, this management agreement covered 513 units of accommodation across Birmingham and the wider the West Midlands. In the case of 43 units of accommodation, St Peter's leases the properties directly from the freeholder. In the case of the remaining 470 units of accommodation, Spring Housing leases the properties but then secures a consent to sublease from the freeholder which is issued to St Peter's. No formal written sub-leases between Spring and St Peter's have been entered in to, but the mutual intention of both parties is for St Peter's to take a sub-lease of each property on terms that exactly mirror the rights and obligations of Spring under its headlease. There are no rents charged by St Peters to Spring. The leases have termination dates ranging from April 2023 to June 2028.

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

In all cases, a management agreement exists which recognises St Peter's as the landlord and Spring Housing as their managing agent. Occupancy agreements are issued in the name of St Peter's (Saltley) Housing Association in order to enable the properties to be classed as Exempt Accommodation under Housing Benefit regulations. However, Spring have responsibility for the provision of all housing management services and housing-related support. St Peters receives an agreed, fixed fee for managing each property. All rent monies are paid directly to Spring. St Peters Housing recognises within its financial statements only the management fee from Spring, as the financial risks and rewards around arrears, voids and maintenance costs are borne by Spring Housing.

20. RELATED PARTY TRANSACTIONS

One tenant served on the Board during the year. They rent a property from the Association under the same terms and conditions as all tenants in similar properties.

Ken Hazeldene, Chair during the year, is also a Trustee of The Urban Village Trust. The Association leases its office premises from the Trust, this lease agreement is on normal commercial terms, and no special rates apply.

21. LEGISLATIVE PROVISIONS

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.