

Barnsbury Housing Association

Annual Report and Financial Statements

Year ended 31 March 2024

Cooperative and Community Benefit Society Reg No. 18135R

Regulator of Social Housing Reg No. L2518

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Company Information

Chairman	Robert (Sean) McLaughlin
Secretary	Susan French
Board Members	Aaron Elliot (Resigned 21 September 2023) Annabel Gray Barbara Sidnell (Resigned 21 September 2023) Chris Bell Chyrel Brown Fenan Emmanuel (Resigned 21 September 2023) Jonathan Bunt Janice Walsh Micah Gold
Chief Executive	Susan French
Registered address	4-6 Colebrooke Place London N1 8HZ
Auditor	Price Bailey LLP Chartered Accountants and Statutory Auditor 8 th Floor Dashwood House 69 Old Broad Street London EC2M 1QS
Principal Solicitors	Lewis Silkin LLP 5 Chancery Lane London EC4A 1BL
Bankers	Royal Bank of Scotland Plc 60-62 Threadneedle Street London EC2R 8LA
Co-operative and Community Benefit Society Reg No.	18135R
Regulator of Social Housing Reg No.	L2518

Chair's Report

Many of our tenants are still living with the impacts of higher bills, higher food prices and, thanks to high inflation levels, a second year of high rent increases. We have restructured our team to support tenants as best we can and have strengthened our financial inclusion offer.

Continuing higher interest rates have squeezed our cashflow and business plan. Careful budget management has meant that we ended the year in a better-than-anticipated position, while a review of our service charge means that our long-term financial viability is more secure. We know that these changes have been unwelcome for many tenants but hope that, a sharper focus on estate management and more estate-based improvements, the greater transparency will show tenants they are getting better value from their charges.

One tangible way we are supporting tenants is through our work on improving the energy efficiency of our homes and so cutting heating bills. Our work on sustainability continues to give a powerful voice in the housing association sector. Last year we were awarded £500,000 of Social Housing Decarbonisation Fund grant to upgrade 63 of our homes. Work is about to start on this and it is pleasing to see that we have had a very good response from residents. The rigorous assessment process we used for these homes has given us useful intelligence that is enabling us to better target the funding and so address damp and mould issues for a number of tenants. Our membership of the North River Alliance has been instrumental - without it we, and other members, would not have been able to access funding. We are proud adopters of the Sustainability Reporting Standards and produced our second ESG report in 2023. Our focus will now shift back to developing solutions for our heritage homes.

Another important step forward for us during the year has been securing almost £1.2m of grant funding from the GLA for our garage conversion project at Morland Mews. We are hoping to start on site later in 2024 and finally complete six much-needed new homes in Barnsbury.

One last legacy to the pandemic has been how we work. BHA has led the way in developing an effective model of agile working. Our flexible approach has meant that we have been able to build a highly skilled team, some of whom are based elsewhere in the country. We balance this with our strong estates-based team, whose local presence and visibility is welcomed by tenants.

A key focus for us this year has been getting to know our tenants better. We have continued our programme of Staying Connected Visits –in-depth one-to-one meetings with every resident. These visits are a rich source of information about our tenants and their needs, helping us to target support and resources where most needed as well as informing plans to adapt our services to meet emerging needs.

In a wider context, tenant and property data – what we hold, how accurate it is and how we use it – will be subject to an in-depth review in the coming year. This is a subject that is receiving much attention in the housing sector at the moment and we are interested in exploring how, even as a small organisation with limited resources, we can develop a more imaginative and creative approach.

Improving communications with our residents has been a focus for us this year. As well as our regular estate walkabouts, newsletters and meetings, we have published guides to repairs and building safety, as well as updating our complaints guidance. Our Residents Panel, while small in number, is an important part of our governance, and ensuring that residents influence our communications, policies and how we work, as well as scrutinising our performance.

Chair's Report

Finally, I would like to thank Aaron Elliott and Barbara Sidnell who retired from our Board after nine years' service. Both have been committed and supportive Board members whose expertise has helped BHA grown and develop over recent years. I would also like to thank Fenan Emanuel, one of our tenant board members, who stood down this year, for his insights and commitment.

Sean McLaughlin

sean mclaughlin
Sean McLaughlin (Jul 19, 2024,
10:39am)
Chair

Date: 18 July 2024

Report of the Board

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

Principal Activities

The principal activities of Barnsbury Housing Association (“BHA”) are the management and development of social housing.

Set up in 1967 to help keep Islington affordable to people on low to modest incomes, BHA now owns 300 homes in and around Barnsbury. Many of our tenants have been with us since the start and they value our high-quality homes and estates, our responsive service, and the strong sense of community.

We are a small organisation, serving a small community of residents in a defined area. Despite this, we feel we have an important contribution to make:

- to our residents - who value our community focus and personal service
- to Islington - through our commitment to retaining genuinely affordable homes in an area where people on low to moderate incomes are otherwise priced out, and by building new homes where many other landlords choose not to invest
- to the housing sector - by using our skills and resources to help find solutions to wider issues, such as making older properties more energy efficient and by striving to be a beacon of good practice

Our Vision is to create sustainable homes and thriving communities.

Our Purpose - we want to help create successful communities: places where people feel they belong, places where they can thrive. At the heart of this is our role in providing a safe, warm, affordable, and secure home. We will do this by being a trusted landlord, known for providing great services and well-cared for and sustainable homes; by empowering residents to support their own communities to thrive; by being connected and open to ideas; and by putting residents at our heart.

Our Values - Our culture is about the shared values, beliefs and behaviours that determine how we do things, then the ways and systems of working that help to get those things done. Our values aim to put customers at our heart and provide the foundation for the culture of our organisation and how we work.

- We are respectful, caring and kind
- We are collaborative, and connected to our community and our residents
- We are creative, resourceful and ‘can do’
- We are inclusive and fair
- We keep our promises

Our Strategic Ambitions: to Connect, to Build, to Anticipate - provide a framework for how we will deliver our vision and bring about long-lasting change for our tenants and communities. Within each of our ambitions, we have medium term goals which set the priorities for our work each year.

Report of the Board

Performance and Value for Money

In December 2022 the Board approved BHA's 2023-2026 Corporate Plan which sets out our ambitions for the three-year period. The plan is framed by what has been a very challenging set of circumstances: for our finances with ongoing high inflation and global political uncertainty, and for our residents, who have faced an unprecedented cost of living crisis and unprecedented energy bills.

The targets we set in 2023-24 are driven by our Corporate Plan and our performance is set out below. This incorporates our approach to Value for Money ("VfM") which is to have policies, procedures and performance targets which provide an accountable, day to day framework for the economic, effective, and efficient delivery of our services. We are not aiming to achieve the lowest costs for our operations, but rather to deliver quality services and homes that meet our residents' needs and deliver satisfaction, while protecting affordability to our residents and viability for BHA.

Our governance structure supports how we achieve VfM across BHA. The Board approves the Performance and Value for Money Report as set out in these Financial Statements. Every Board report considers the VfM implications of its topic and the Audit, Finance & Risk Committee acts on behalf of the Board to ensure that BHA obtains appropriate assurance through the internal and external audit functions.

We Connect

Listen to our residents

We are focusing our efforts and resources on listening to our residents and we carried out a full satisfaction survey during the year. Compared to our last survey in 2019, its clear our residents want more from us and we intended to rise to the challenge through our updated Corporate Plan to 2026, with stretched, but realistic, satisfaction targets set for next year. It is fair to say that satisfaction has fallen across the sector so we are not alone but as a small, local housing association we want to make sure our tenants are heard and we are held accountable for the standard of service we deliver.

The tenant survey in 2023 has incorporated all the Tenant Satisfaction Measures (TSMs) for the first time, which became mandatory for registered providers of social housing to collect from April 2023. Some of these measures are comparable to earlier survey questions, however, others have been used for the first time and will provide an important baseline for moving forward.

Overall, the survey has revealed some good levels of satisfaction and found several areas for improvements. The highest satisfaction areas are repairs completed in the last 12 months (78%), time taken to complete the last repair (79%), the upkeep of the communal areas (79%), our contribution to the neighbourhood (74%), the ease of dealing with BHA (79%), that we keep the tenants informed (77%) and that we treat tenants fairly and with respect (78%).

Our overall satisfaction results mirror the national trends with a national fall from 88% to 74%. The benchmarking shows that we perform quite well against national results (top or second quartile) but not so well against a small sample of London associations. We fall within the top quartile for three measures – time taken for last repair, communal areas being clean and well maintained and complaints handling. Satisfaction is lowest for complaints handling (48%), but compares well with other landlords being 14% above the median and in the top quartile.

During the year we received 16 complaints in total, of which 10 were stage 1 and 6 went to stage 2. All except one complaint were responded to within the required timescales within our Complaints Policy. One major impact on the level of complaints this year was a complex case between two tenants which resulted in seven of the above complaints. These complaints were of various natures, ranging from Anti-social behaviour, pests, and dissatisfaction on how we handled the complaint. The remainder of the

Report of the Board

complaints were regarding repairs satisfaction, increases to rents and service charges and two were regarding staff members responses to complaints.

At the end of the year, we had one Housing Ombudsmen complaint outstanding, which is related to the complex cases noted above. The Complaint Policy and Housing Ombudsmen Handling Code were all updated in the year and an easy-to-read guide was created for tenants.

We received 28 compliments for our services, these exceeded the number of complaints received. The compliments ranged from repair satisfaction, compliments to individual staff and our community activities.

Create safe and supported communities

Our work in this area has paid off with lower Anti-Social behaviour (“ASB”) cases and a positive shift in culture. While satisfaction with ASB case handling is low at 62.5% it is fair to say this metric is always low and our performance is good compared to our peer group where the median was 59%.

We have seen a slight decrease in ASB cases for 2023/24, out of the twenty reported cases, fourteen were for noise and happened within our larger estate. Each case was categorised as low level and external services were not involved, these were investigated in-house.

Across the board, we have taken a stronger stance relating to incidences of ASB and other behaviour related incidents, and we are seeing an improvement in behaviours and a positive shift in culture within our tenant base and in turn staffs’ morale and satisfaction is improving.

Forge strong community connections

We intended to build on recent increased engagement with our two Tenant & Resident Associations and are working to provide more support to residents who want to get involved and make a difference to their communities. During the year we have reviewed the community activities we undertake to make sure they have an impact for our residents and we continue to work on how we measure that impact and the outcomes our community work achieves.

Community Engagement over the year has flourished and we have invested just over £35K for the year (2022/23: £37k) to support our effective engagement and communications to our tenants. We have delivered numerous successful events, effective consultations and provided various platforms for our tenants to engage with us. These have included consultations on parking management controls, conversion of the conservatory, rents and service charges, meet the team day, coffee mornings, garden parties, fun days, football coaching, theatre trips and the coronation celebrations.

We also were privileged to be selected by the Felix Project who are community funded by HACT, to deliver two free food markets to our tenants on low incomes, these were both an enormous success and a substantial number of our tenants attended.

Our residents panel continues to meet on a regular basis albeit the numbers are small, they are effective and key to good governance within the association. The members have agreed standing agenda items moving forward which includes scrutiny of our key performance indicators and risk management, as well as reviewing tenant facing policies before they go to Board.

We continue to provide tenants with regular newsletters and e-news bulletins, we have also published guide booklets on repair responsibilities and a health and safety booklet.

Report of the Board

We Connect	Measure	23-24 Target	Performance	24-25 Target
Listen to our residents	Resident satisfaction with overall service	>88%	72.7%	>80%
	Reduction in complaints received	<14	22	<20
	Complaints responded within timeframe	100%	85%	100%
	Increase in compliments received	>28	28	>20
Create safe and supported communities	Resident satisfaction their home is safe	>88%	73%	>80%
	Resident satisfaction with ASB case handling	>75%	62.5%	>75%
	Reduction in ASB cases	<25	20	<15
	Safeguarding cases reported*	-	2	0
	Tenant income maximisation / financial inclusion cases*	-	23	>15
Forge strong community connections	Resident satisfaction BHA makes a positive contribution to their neighbourhood	>88%	73.6%	>80%
	Investment in communities	£28K	£36k	£36k

*New KPIs for 2024-25

We Build

Build trust through quality services

During the year we have put considerable resource into understanding the services we deliver to each scheme, block and home, to make sure service charges are accurate and residents are clear about the services they can expect us to provide. During the coming year we will engage with residents to make sure we are delivering the right services to an acceptable standard, which we hope will hold us to account for delivery and improve overall satisfaction.

978 responsive repairs were completed in 2023/24, of which 97.5% were completed within agreed timescales, exceeding our target of 90%. This was partly due to clearer guidance set out on BHA's repair responsibilities and response times which has been shared with residents. Still, 58 repairs landed outside their target completion times, and we will work on improving access as well as lead-times on materials.

In the latter part of the financial year we kept a close eye on spending, which reduced the number of kitchen, bathroom and boiler replacement we were able to complete. We are focused on prioritising replacements based on condition and tenant need rather than the age of the component.

The Asset Management Strategy and Procurement Strategy, both of which have been effective in guiding, planning and delivering our capital investment, compliance, cyclical and responsive repairs programmes, are due to be reviewed and updated in 2024.

Create places to be proud of

Our homes are in one of London's most expensive Boroughs, and many are listed buildings, meaning that the cost to maintain and repair our homes is always likely to be higher than that of our peers. Further, we choose to invest in the longevity and energy efficiency of our homes through capital works and retrofit projects. We have seen an increase in damp and mould cases being reported during the year and we are pleased to be able to invest in tackling this, with an action plan in place all for cases we have been able to gain access to.

Report of the Board

We completed several capital projects during the year, including the replacement of fire doors at 60 Barnsbury Street, windows in Barnsbury Park and Highbury Terrace, gutters and roofs in the Morland Mews estate, non-combustible aluminium decking at Claringbull Court, drainage works at Belitha Villas, and a number of electrical upgrades. Cyclical work included gutter cleaning and painting common areas at Beech Tree Close and Barnsbury Park.

There are 5 Decent Homes failing HHSRS due to damp and mould growth. Of which 2 repairs begin early May 2024 (through insurance), and 3 repairs are in progress Q1. There are currently 43 active damp and mould cases, of which 8 have repairs in progress, 23 have been inspected and works are due to start soon, a further 6 have been inspected with works pending and 6 outstanding cases subject to no access.

We have ended the year with gas safety compliance at 99% with a number of properties attended shortly after year end. Electrical testing stands at 98% and we are attempting to bring all our certificates within a 5-year cycle with 49 valid certificates exceeding 5 years. We have reduced the quantity of Fire Risk Assessment (FRA) actions to 26, with works to complete these in progress. New FRA's are planned for 2024 and are currently being procured through CHIC.

Build a resilient, customer-focused team

We continue to be a small, strong, forward-facing organisation, the work we deliver has the tenants at the heart of our services. We continue to embrace and promote hybrid working, recognising the benefits in terms of both cost efficiency and staff satisfaction. We also recognise that we need a steady presence on the ground and revised staffing structure was implemented during the year.

We have struck a great balance of staff working remotely coupled with those delivering front facing services, this was achieved by frequently reviewing the way we deliver our services, which has included using shared resources and making sure we have the right resources in the right places. All these changes are to ensure that the new regulations, measures and standards across the sector are implemented, and we are in a good position to deliver these, ensuring the tenant voice is fundamental to these changes.

During the year we reviewed all job profiles and revised the staffing structure to reflect these changes, which resulted in one redundancy of the caretaker's role and the deletion of two vacant posts. We had a new full-time experienced Housing and Communities Director joined us in June, bringing new perspectives and ideas and a new Housing Officer role was created, which we successfully recruited an experienced housing professional.

Our days lost to sickness is relatively low at 0.4% FTE for the year, and to further support this, we have set up an Equality and Health well-being group that will provide staff useful information and updates during the year. A Health Plan was also introduced, with a small contribution from the association, this plan offers a wide range of health benefits and services. A 12-month training plan has been formulated and rolled out to staff, this includes inhouse and e-learning opportunities.

We Build	Measure	23-24 Target	Performance	24-25 Target
Build trust through quality services	Repairs completed within timeframe	90%	97.5%	95%
	Number of repairs beyond timescales	<52	58	<50
	% of rent lost to voids	0.8%	2.3%	1.0%
	Average relet days	21 days	49 days	21 days
	Estates walkabouts	6	13	12
Create places to be proud of	% decent homes standard	100%	98.3%	100%
	New kitchens / bathrooms / boilers	25	21	24
	% gas safety certificates valid	100%	99.0%	100%
	% electrical certificates under 5 years	100%	83.8%	100%
	% fire safety checks complete	100%	100%	100%

Report of the Board

	FRA actions outstanding (priority 1 & 2)	0	0	0
	Damp & mould cases open	<10	43	<20
	Disrepair cases open	0	2	0
Build a resilient, customer-focused team	Staff Satisfaction	88%	80%**	90%
	Average sickness days	2	0.4	2
	Staff turnover %	<15%	23%	<15%

**staff satisfaction last undertaken in 2020

We Anticipate

Shape our future service

We are working on delivering 'joined-up' services with a focus on data-led decision making. As part of the Tenant Satisfaction Measures, providers must complete 100% tenancy audits on all their homes, we have decided to incorporate these audits into our "staying connected" visits (formerly known as homecare visits) These visits have been plotted in a 12-month plan and started during the year.

The staying connected visits will provide us with a clearer picture of our tenants needs and requirements in their homes, provide us with some statistical information relating to the household's composition and support us with our statutory requirements. In turn these visits will enable us to provide specific interventions, signposting and support they may need, and will provide us with an improved understanding of individual needs and how we can improve and target our services to meet these needs.

As a small organisation we want to offer a flexible and efficient service and we are investing in making sure the way we set up our business processes reflects this. Our data project aims to make sure our customer and property data is driving our decision making, and that our IT systems and processes are set up to reduce waste and duplication as far as possible. This investment means our overheads are likely to remain high relative to our peers, and this is also a reflection of the increased requirements of all housing associations being covered by a small staffing team.

Our costs per home remain high compared to our peers driven mainly by our high levels of investment in capital repairs and sustainability works. While overheads overall have been tightly controlled during the year they remain above 20% of turnover. We are a small, lean, organisation and we have embraced a flexible hybrid working model, moving more of our IT systems to cloud-based which increases the annual running costs.

Make us more sustainable

We invest in the energy efficiency in our homes and we are proud to move the sustainability agenda forward for small housing associations. This means our reinvestment and cost per home will be higher than our peers, and we are focused on the long-term positive impacts for our residents.

Back in 2019 our Board took a decision to invest resources in developing our approach to net zero and energy efficiency. The background to this was that we knew that over one third of our residents struggled to afford to heat their homes and that 53% of our homes were EPC D or lower. This was confirmed in the recent tenant's survey where, unsurprisingly, the proportion of tenants concerned about the costs of heating their homes has increased.

We were successful in bidding for Social Housing Decarbonisation Funding for 63 homes on our Morland Mews estate, working as part of the North River Alliance consortium – an approach which is delivering good value for money and shared learning. This grant, matched by £500,000 of our own funding, will see

Report of the Board

these homes upgraded to EPC-C in 2024/25. We also continue to look for an affordable and replicable solution for harder-to-treat older buildings.

We also published our second ESG report, one of only a few very small housing providers to do so.

We were also delighted to secure grant funding from the GLA to fund our garage conversion project at Morland Mews. Work will start in late 2024/25.

Safeguard our future

In a challenging financial climate, we have honed in on improving our financial resilience, making sure we spend within our means and we are not unduly subsidising services or activities that do not have a high impact across our communities. This focus has paid off in stronger financial metrics which puts us in a stronger position for the future.

We have also invested in the way we collect rent arrears in the latter part of the year. At the end of the year our rent arrears have significantly decreased to 4.8% and this has been a challenging year for income collection, partly due to staffing changes but also due to real pressures on cost of living for our tenants. To support tenants, we have provided advice and guidance on debt management and for those in the highest debt, we have made successful applications for discretionary housing payments. Our new Housing Officer's key task is the reduction of arrears through a targeted approach, ensuring our compliance to the rent policy.

We have seen an improvement in our overall financial position this year, in particular we have achieved our target of maintaining an EBITDA-MRI interest cover of above 1%. This is due to a close focus on spending, particularly during the second half of the year, to ensure we spend within our means in cash terms whilst continuing to invest in our homes. Our overall operating margin has seen a boost this year due to a change in estimated useful economic life of our structures, which had been depreciated over 50 years however the Board now feel depreciation over 100 years is more appropriate and more closely aligned with sector norms.

We Anticipate	Measure	23-24 Target	Performance	24-25 Target
Shape our future service	Headline social housing cost per unit	£7,500	£7,217	£7,500 exc SHDF £9,000 inc SHDF
	Overheads as a % of turnover	17%	21.4%	20%
	Number of Staying Connected visits	50	14	299
	Number of customer ideas implemented	5	8	10
Make us more sustainable	Homes with EPC-C or above	150	138	200
	Produce a fully costed plan to get our homes to net carbon zero	By Q4 2023/24	By Q4 2023/24	-
	New homes delivered	6 on site	6 pre-contract	6 on site
Safeguard our future	Rent collected as % of rent owed	100%	100.1%	100%
	Arrears as % of annual rent roll (social housing current tenants only)	5.5%	4.8%	4.0%
	Operating margin (overall)	13.4%	20.1%	19.0%
	EBITDA MRI interest cover %	>1.0%	1.42%	>1.0%

Report of the Board

Benchmarking our Performance

We pitch ourselves as top performers in investing in our homes and making them more sustainable. We know this means some of our financial metrics will be lower than our peers because we are spending more with our long-term vision in mind. Our focus on improving customer service in the coming year should demonstrate improved satisfaction metrics moving closer to peer median across housing management and repairs areas.

We compare our performance for the current and previous years and against our immediate peer group, the BM320. The peer group comprises of 9 comparable small London based associations. Benchmarking data available currently is from 2022-23 so we are not necessarily comparing like with like however this gives a good indication of where BHA sit amongst our peers.

The benchmarking shows that our investment in our existing homes is much higher than our peers. This is not unexpected and unlikely to change in future, since our stock is mostly listed, in a high value central London location, and our strategy is to invest in our homes and take the lead on sustainability and retrofit.

Our high levels of investment have impacted our financial metrics, especially when combined with the high-cost inflationary environment we have been in, and increased interest rates during the year. Our return on capital employed, EBITDA-MRI interest cover, operating margins and social housing cost per unit are all lower than our peers because of these factors, however have improved on our performance from last year. Improving our financial stability continues to be a focus across the coming years whilst we continue to be at the forefront of sustainability works for our homes.

	BHA 2021-22	BHA 2022-23	BHA 2023-24	Peers LowerQ	Peers Median	Peers UpperQ	BHA Long- Term Targets
Investment	(closest quartile shown)						
New supply delivered (social housing)	0%	0%	0%	0%	0%	0%	Upper Q
New supply delivered (non-social housing)	0%	0%	0%	0%	0%	0%	Upper Q
Reinvestment %	4.2%	7.4%	3.8%	1.4%	2.5%	3.5%	Upper Q
Return on capital employed %	2.1%	1.4%	3.1%	1.4%	1.7%	1.9%	Upper Q
Gearing %	18.9%	21.0%	20.0%	-15.2%	6.8%	16.5%	Upper Q
Customer Service							
Satisfaction with overall service	88%	88%	73%	84%	86%	88%	Peer median
Average relet days (social housing)	39	36	49	57	56	22	Peer median
Current tenant arrears % (social housing)	6.7%	5.3%	4.8%	4.6%	3.1%	1.9%	Peer median
Financial							
Headline social housing cost per unit	£5,244	£8,044	£7,217	£5,978	£5,505	£5,305	Lower Q
Operating margin (overall)	10.6%	9.7%	20.9%	9.7%	10.2%	12.9%	Upper Q
Operating margin (social housing)	9.4%	10.3%	21.8%	11.0%	11.4%	12.9%	Upper Q
EBITDA-MRI as % of interest	234%	-0.2%	1.42%	1.5%	3.4%	4.7%	Lower Q
Cost per Property							
Housing management	£477	£632	£619	£789	£578	£421	Peer median
Responsive repairs & voids	£1,135	£752	£865	£1062	£970	£826	Peer median
Major repairs & cyclical	£860	£4,018	£2,603	£2,916	£1,795	£1,296	Lower Q

Report of the Board

Principal risks and uncertainties

The process for identifying, evaluating, and managing risk is embedded throughout the organisation through a strong risk management culture, where staff are empowered to raise risks as they emerge. Significant risks which require involvement of the Leadership Team are monitored via the BHA's risk register and the top ten risks are reported to the Audit, Finance & Risk Committee and Board. Each risk is evaluated for the probability of its materialising and for its potential impact, which could be financial, reputational, operational, or legal. BHA also conducts stress testing on its business plans to meet the Regulator's Governance and Financial Viability Standard, using the scenarios identified in the risk register.

The key risks presenting the greatest threat to BHA are outlined in the table below:

Key Risks	Controls in place to mitigate the risk
<p>Economic Instability Inflation remains high which may lead to more Bank of England interest rises, energy prices rises, supply chain issues for building materials, high levels of political uncertainty.</p>	<p>BHA monitors financial performance against budget and can control discretionary expenditures in the event of cost inflations. The Audit, Finance and Risk Committee and Board also monitors the quarterly accounts. Financial golden rules in place and if they appear to be heading towards a breach, a series of actions will be taken to ensure financial robustness.</p>
<p>Zero Carbon Agenda Costs of implementation, complexity around retrofitting, skills and resource requirement. The agenda will require significant resident involvement, particularly if intrusive works are required</p>	<p>High-level costings have been incorporated into BHA's plan and funding requirements are established. BHA CEO is highly involved in policy discussions with the NHF and G320 groups. Retrofit plans currently being prepared and a pilot retrofit of a property in progress. A new Board member with sustainability expertise appointed. Successfully accessed Social Housing Decarbonisation Funding. Hard to treat properties involving planning restrictions identified and discussion started with relevant authorities.</p>
<p>Health and Safety Compliance BHA is landlord and employer responsible for all aspects of health and safety ensuring our homes are safe to live in and BHA is a safe place for our staff. This includes addressing damp and mould issues in our homes.</p>	<p>Key health & safety monitors in place and is tracked on a monthly basis by the Asset Manager. These are reported quarterly to the Audit & Risk Committee and Board. Internal audit reviews design and operating of controls around health and safety annually. No significant issues were found during the latest review. Staff receive health & safety training appropriate for their role, and a staff H&S compliance group is now in place.</p>
<p>Data Quality and Cyber Security The quality of our data impacts the way we work and the decisions that we make at all levels of the organisation. As cyber-attacks across our sector become more frequent and sophisticated, BHA needs to remain vigilant and keep cyber security controls up to date</p>	<p>We are undertaking a data governance project with a view to defining what data we hold, where it is, how we keep it up to date and how we use it, with internal audits planned for 2024-25. Cyber security insurance in place since 2022-23 which includes domain monitoring. Recent internal audit of IT security with action plan in place. Financial Regulations updated to tighten controls around new suppliers and bank account amendments.</p>
<p>Development Project Controls With any large complex project there are inherent risks, and as BHA begins work at Morland Mews risks around cost control and neighbourhood relations are kept under review.</p>	<p>Steering group to be re-established with residents at Morland Mews to keep residents involved in the project. Planning permission secured and costs scrutinised by an Employers Agent. Project team in place. Fixed price contract under negotiation with contractors.</p>

Report of the Board

Legal Status

BHA is registered under the Co-operative and Community Benefit Society Act 2014 and is a registered social landlord.

Corporate Governance

BHA ensures full compliance with the Regulator of Social Housing's Regulatory Framework as it relates to small social housing providers with fewer than 1,000 homes. The Board has adopted the National Housing Federation Code of Governance (2020 edition) and the National Housing Federation Model Rules 2015 to ensure full compliance. This includes Board self-assessment and independent assessment. The Board has adopted the National Housing Federation Code of Conduct and Board members confirm their compliance with the Code on an annual basis.

We review our compliance with the Code on an annual basis and confirm that we have complied with the Code and the Regulator's Governance and Financial Viability Standard in all areas.

Board

BHA's Board comprised of seven members at the end of 2023-24. Aaron Elliot and Barabara Sidnell stood down at the AGM in September 2023 after completing their full terms, and Fenan Emmanuel also stood down at the AGM. Two new Board members have been identified and will be formally appointed at the September 2024 AGM. All members are non-executive and, for legal purposes, are regarded as directors. Members are recruited externally by a formal interview process and are drawn from a variety of backgrounds. BHA has two tenant Board members.

The Board is responsible for the overall direction of BHA's affairs which are set out in the Board Terms of Reference. The day-to-day management of BHA is delegated to the Chief Executive and the staff team. The Board meets five or six times each year. The average attendance at Board meetings during the year was 84%.

The Board is supported by two committees, the Audit, Finance & Risk Committee and a Remuneration Committee. The committees report back to the Board after each meeting where their recommendations are considered and approved as appropriate. We also conduct Board appraisals each year.

Internal Controls

The Board acknowledges its responsibility for ensuring we have in place a system of controls appropriate to the environment in which we operate. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within BHA or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets against unauthorised use or disposition;
- Bribery and money laundering legislation.

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

- Formal financial regulations are in place, including rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of BHA's assets;

Report of the Board

- Forecasts and budgets are prepared which allow the Board to monitor the key business risks and financial objectives and progress towards financial plans set for the year;
- Quarterly accounts are prepared promptly, providing relevant up to date financial and other information. Significant variances from budget are investigated as appropriate;
- All significant new initiatives, major investment commitments and investment projects are subject to formal authorisation procedures through the Board;
- A thirty-year financial plan is prepared to ensure that BHA's finances remain viable in view of planned and potential development and expected future asset management costs. This plan is stress tested using various significant risk scenarios;
- The Risk Management strategy and identification of key risks is reviewed by the Audit, Finance & Risk Committee on a quarterly basis;

No weaknesses in financial control were found by the Board, which resulted in material losses, contingencies, or uncertainties, which would require disclosure in the financial statements or in the external auditors' report.

The Board is kept apprised of developments in the Internal Control environment and reviews the viability and efficacy of these controls at least annually.

Internal auditors carried out a review across seven areas during 2023-24 and their opinion based on the work undertaken was that there is an effective framework of governance, risk management and controls at BHA. In addition, no actual or suspected instances of fraud were identified through their work.

Statement of the responsibilities of the Board

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

Under the Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation the Board is required to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under the Co-operative and Community Benefit Societies Act 2014 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of BHA for that period. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that BHA will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of BHA and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and other applicable legislation and standards. It is also responsible for safeguarding the assets of BHA and hence for taking reasonable steps for the

Report of the Board

prevention and detection of fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information on BHA's website.

Disclosure of information to auditor

Each of the Board members at the time when this Report of the Board is approved has confirmed that:

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

Statement of Viability and Going Concern

The Board is confident that the future prospects for BHA are sound. In view of the uncertainties around the economic and political climate, BHA has assessed and has taken appropriate measures to protect the business operations and finances against the potential impacts. BHA's operating budget has been stress-tested during the year for anticipated changes in its key assumptions which might arise as a result of the cost inflations, including increases in arrears and void periods, and an increase in works costs and capital cost. This has shown that BHA currently has sufficient capacity to endure a range of scenarios and continue to comply with its current loan covenants.

As at 31 March 2024, the Association had a cash balance of £844,488 (2022: £631,307). We also have £3.7m undrawn funds on our loan facility with Virgin (formerly Clydesdale) Bank.

As such, the Board has a reasonable expectation that BHA has adequate resources to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these financial statements. BHA therefore continues to adopt the going concern basis in preparing the Financial Statements.

This report of the Board was approved on 18 July 2024 and signed by order of the Board.



Susan French (Jul 19, 2024, 11:43am)

S French
Secretary

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

Opinion

We have audited the financial statements of Barnsbury 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 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 income and expenditure 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 in England 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 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 other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the Report of the Board. 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

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit 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 revenue account, any other accounts to which our report relates, and the balance sheet 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 our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 16, 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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:

Based on our understanding of the Association, and its sector, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, pension legislation, health and safety regulations, anti-bribery, corruption, fraud, money laundering, Homes England requirements and Regulator of Social Housing requirements and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Co-operative and

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified these included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed the accounting policies for evidence of management bias.
- We reviewed minutes of Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the Association regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place.
- We have reviewed any correspondence with the Association regulators and reviewed the procedures in place for the reporting of incidents to the Board including reporting to regulators if necessary.

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 is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.

Price Bailey LLP

For and on behalf of
PRICE BAILEY LLP
Chartered Accountants & Statutory Auditors
8th Floor Dashwood House
69 Old Broad Street
London
EC2M 1QS

Date: 22 July 2024

Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £	2023 £
Turnover	3	2,707,363	2,578,778
Operating costs	3	(2,140,713)	(2,328,891)
	5	<u>566,650</u>	<u>249,887</u>
Operating surplus (before fair value adjustments)			
Surplus/(deficit) on revaluation of investment property	12	-	(15,000)
		<u>566,650</u>	<u>234,887</u>
Operating surplus after fair value adjustments			
Finance income	6	1,782	1,795
Interest and financing costs	7	(326,891)	(196,269)
		<u>241,541</u>	<u>40,413</u>
Surplus and total comprehensive income for the year		<u><u>241,541</u></u>	<u><u>40,413</u></u>

The results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

Statement of Changes in Reserves

	£
Balance at 1 April 2022	9,915,571
Total comprehensive income for the year ended 31 March 2023	40,413
	<hr/>
Balance at 31 March 2023	9,955,984
Total comprehensive income for the year ended 31 March 2024	241,541
	<hr/>
Balance at 31 March 2024	10,197,525
	<hr/> <hr/>

The income and expenditure reserve represents the cumulative surpluses and deficits of the Association.

The accompanying notes form part of these financial statements.

Statement of Financial Position

At 31 March 2024

	Note	2024 £	2023 £
Tangible fixed assets			
Housing properties	11	17,197,544	16,986,956
Investment property	12	735,000	735,000
Other tangible fixed assets	13	51,960	76,252
		<hr/>	<hr/>
		17,984,504	17,798,208
		<hr/>	<hr/>
Current assets			
Debtors	14	198,448	252,053
Cash and cash equivalents		844,488	631,308
		<hr/>	<hr/>
		1,042,936	883,361
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	15	(809,670)	(800,513)
		<hr/>	<hr/>
Net current assets		233,266	82,848
		<hr/>	<hr/>
Total assets less current liabilities		18,217,770	17,881,056
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	16	(8,020,230)	(7,925,054)
		<hr/>	<hr/>
Total net assets		10,197,540	9,956,002
		<hr/>	<hr/>
Capital and reserves			
Non-equity share capital	19	15	18
Reserves		10,197,525	9,955,984
		<hr/>	<hr/>
Total capital and reserves		10,197,540	9,956,002
		<hr/>	<hr/>

These financial statements were approved by the Board on 18 July 2024 and signed on its behalf by:

sean mclaughlin

Sean McLaughlin (Jul 19, 2024, 10:39am)

S McLaughlin
Chair
Member

Susan French

Susan French (Jul 19, 2024, 11:43am)

S French
Secretary

J Bunt

Jonathan Bunt (Jul 20, 2024, 8:19pm)

J Bunt
Board

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash generated from operating activities	20	904,281	527,321
Cash flow from investing activities			
Purchase of tangible fixed assets		(610,147)	(912,949)
Grants received		126,108	-
Interest received		1,782	1,795
Net cash flow from investing activities		(482,257)	(911,154)
Cash flow from financing activities			
Repayment of borrowings		(215,000)	(102,500)
New borrowings		300,000	400,000
Interest paid		(293,841)	(196,269)
Share capital (repaid)/received		(3)	1
Net cash flow from financing activities		(208,844)	101,232
Net change in cash and cash equivalents		213,180	(282,601)
Cash and cash equivalents at the beginning of the year		631,308	913,909
Cash and cash equivalents at the end of the year		844,488	631,308

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Legal status and principal activity

The Association is registered under the Co-operative and Community Benefit Society Act 2014 and is registered with the Homes and Communities Agency as a Registered Provider of social housing in England. The registered address is shown on page 3.

The Association's principal activity is the provision of social housing.

2 Accounting policies

Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and in the preceding year.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Statement of Recommended Practice for registered social housing providers 2018 (SORP), and comply with the Accounting Direction for private registered providers of social housing 2022. Barnsbury Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

These financial statements are presented in sterling (£).

Statement of Compliance

Barnsbury Housing Association Limited has prepared its financial statements in accordance with FRS 102 for both the current and preceding financial years.

Going concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Report of the Board. The Association has in place long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. In view of the uncertainties around the economic and political climate, BHA has assessed and has taken appropriate measures to protect the business operations and finances against the potential impacts. The Association's operating budget has been stress-tested during the year for anticipated changes in its key assumptions which might arise as a result of the cost inflations, including increases in arrears and void periods, and an increase in works costs and capital cost. This has shown that the Association currently has sufficient capacity to endure a range of scenarios and continue to comply with its current loan covenants.

On this basis, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant management judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The following are the significant judgements made in applying the accounting policies of the Association that have the most significant effect on the financial statements.

Impairment

An annual review for impairment has been carried out. We estimated the recoverable amount of our housing properties as follows:

Barnsbury Housing Association Limited

Year ended 31 March 2024

- (i) We determined the level (the cash generating unit) at which the recoverable amount is to be assessed. The CGU was determined to be an individual scheme or block of properties.
- (ii) We assessed the recoverable amount of the CGU.
- (iii) We calculated the carrying amount of the CGU.
- (iv) We compared the carrying amount to the recoverable amount to determine if impairment has occurred.

The recoverable amount was determined by calculating a discounted cash flow. Based on this assessment, no impairment charge was deemed necessary.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Investment property

During 2018-19 our former office property at 303B Upper Street was let at market rent. Accordingly, it has been shown as an investment property at fair value. The initial valuation was carried out by a local estate agent based on the recent selling prices of similar properties in the same area. In valuing the property as at 31 March 2024, we have used a local estate agency who provided a valuation based on the property location, size and recent selling prices of similar properties in the area. See Note 12 for further information.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to Decent Homes Standards, which may require more frequent replacement of key components. During the year the Board reviewed its estimate of the useful life of the Association's building structures and concluded that, whilst the original estimate of 50 years was correct at that time, it deemed 100 years a more appropriate estimate given the current sound condition of the properties. An adjustment for the change in accounting estimate has been made in these financial statements.

Turnover

Turnover comprises:

- a) rental income from tenants receivable in the period;
- b) amortisation of capital grants received over the useful life of the asset funded by the grant;
- c) revenue grants (if received);
- d) service charge income, and
- e) commercial rents.

Rental income is recognised from the point where properties become available for letting. Revenue grants are receivable when the conditions for the receipt of agreed grant funding have been met.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Debtors

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms has been agreed, and where material, the balance is shown at the present value, discounted at a market rate.

Cash and cash equivalents

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

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.

Creditors

Short term trade 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.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pensions

The Association operates a defined contribution pension scheme. The pension costs for that scheme represent contributions payable by the Association in the year.

Housing Properties

Housing properties are properties held for the provision of social housing. They are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension in the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation.

Depreciation of Housing Properties

Freehold land and properties held for development are not depreciated. Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Refurbishment or replacement of the major components is capitalised and depreciated over the estimated useful economic life of the component. The depreciable amount is arrived at on the basis of original cost less residual value.

As noted above, during the year the Board reviewed its estimate of the useful life of the Association's building structures and concluded that, whilst the original estimate of 50 years was correct at that time, it deemed 100 years a more appropriate estimate given the current sound condition of the properties. An adjustment for the change in accounting estimate has been made in these financial statements.

The Association depreciates the major components at the following annual rates.

Structure	1%
Kitchens and bathrooms	5%
Boilers	7%
Lifts	4%
Windows & doors	4%
Electrics	2.5%

Leasehold properties

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, when the lease and building elements are depreciated separately over their expected useful economic lives.

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified, and assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. Any such write down would be charged to income and expenditure.

Investment property

The investment property is shown at fair value, based on an independent valuation. This is re-assessed each year and any difference is taken to the Statement of Comprehensive Income.

Government Grants

Government grants include grants receivable from the Homes and Communities Agency, local authorities, and other government organisations. Such grants are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model. Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate, as long as all conditions for receiving the grant have been fulfilled.

Government grants are subordinated to the repayment of loans by agreement with the HCA. 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 statement of financial position in creditors.

Other grants

These include grants from other organisations. Grants in respect of revenue expenditure are credited to income and expenditure account in the same period as the expenditure to which they relate.

Barnsbury Housing Association Limited

Year ended 31 March 2024

Other tangible fixed assets and depreciation

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold offices	10%
Furniture, fixtures and fittings	10%
Computers and office equipment	25%
Plant and equipment	20%

Cyclical repairs and maintenance

The Association's cyclical repairs and maintenance costs are charged to the income and expenditure account, as incurred.

Provisions for liabilities

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable the settlement of that obligation will be required, and a reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

The Association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

3 Particulars of turnover, operating costs and operating surplus

2024	Turnover	Operating costs	Operating surplus / (deficit)
	£	£	£
Social housing lettings	2,679,565	(2,096,352)	583,213
Non-social housing activities	27,798	(44,362)	(16,564)
	<u>2,707,363</u>	<u>(2,140,713)</u>	<u>566,650</u>
	<u><u>2,707,363</u></u>	<u><u>(2,140,713)</u></u>	<u><u>566,650</u></u>
2023			
Social housing lettings	2,551,273	(2,289,720)	261,553
Non-social housing activities	27,505	(54,171)	(26,666)
	<u>2,578,778</u>	<u>(2,343,891)</u>	<u>234,887</u>
	<u><u>2,578,778</u></u>	<u><u>(2,343,891)</u></u>	<u><u>234,887</u></u>

Income and expenditure from social housing lettings

	General needs housing 2024	2023
	£	£
Rent receivable net of identifiable service charge	2,345,572	2,171,293
Service charge income	209,060	195,294
Amortisation of government and other grants	124,932	184,686
	<u>2,679,565</u>	<u>2,551,273</u>
	<u><u>2,679,565</u></u>	<u><u>2,551,273</u></u>
Management	464,377	420,320
Service charge costs	389,766	323,249
Routine maintenance	262,833	275,958
Cyclical maintenance	135,865	124,509
Major repairs	355,181	506,693
Housing property depreciation	388,312	538,237
Development	100,018	100,754
	<u>2,096,352</u>	<u>2,289,720</u>
	<u><u>2,096,352</u></u>	<u><u>2,289,720</u></u>
Operating surplus on social housing lettings	583,213	261,553
	<u><u>583,213</u></u>	<u><u>261,553</u></u>
Void losses	61,480	32,283
	<u><u>61,480</u></u>	<u><u>32,283</u></u>

4 Accommodation in management and development

	2024	2023
General housing		
Social rent	299	299
Investment property	1	1
	<u>300</u>	<u>300</u>
Accommodation in development at the year-end	<u>6</u>	<u>6</u>

5 Operating surplus

	2024 £	2023 £
Operating surplus is arrived at after charging/(crediting):		
Amortisation of government and other grants	(124,932)	(184,686)
Depreciation of housing properties	348,008	489,909
Deficit on disposal of tangible fixed assets	40,304	49,887
Depreciation of other tangible fixed assets	35,538	30,934
Operating lease payments	-	34,710
Auditors' remuneration (excluding VAT):		
- for audit services	16,800	16,656
	<u>16,800</u>	<u>16,656</u>

6 Interest receivable and similar income

	2024 £	2023 £
Interest receivable from cash deposits	<u>1,782</u>	<u>1,795</u>

7 Interest and finance costs

	2024 £	2023 £
Interest on loans	266,984	151,268
Costs of obtaining new loan and other charges	59,907	45,001
	<u>326,891</u>	<u>196,269</u>

8 Employees

Average monthly number of employees, including key management personnel noted below, expressed in full-time equivalents (calculated based on a standard working week of 35 hrs):

	2024	2023
	No.	No.
Administration	3	3
Development	1	1
Housing, support and care	7	7
	<hr/>	<hr/>
	11	11
	<hr/> <hr/>	<hr/> <hr/>
Employee costs:	£	£
Wages and salaries	550,313	482,714
Social security costs	54,088	49,799
Other pension costs	41,080	29,635
Less: staff costs capitalised	(19,616)	-
	<hr/>	<hr/>
	625,865	562,148
	<hr/> <hr/>	<hr/> <hr/>

Employees who received remuneration in excess of £60,000 during the year were as follow:

	2024	2023
	No.	No.
£70,001 - £80,000	1	-
£60,001 - £70,000	1	2

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension costs charge represents contributions payable by the Association to the fund and amount to £41,080 (2023: £29,635). Contributions of £5,851 were due to the fund at the year-end (2023: £3,792).

9 Key management personnel

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the Association's activities, either directly or indirectly. This includes the Board and the Chief Executive. The Chief Executive works part-time (0.8 FTE).

The Chief Executive's emoluments (highest paid employee) include:

	2024	2023
	£	£
Basic salary	78,864	69,868
	<hr/>	<hr/>
Pension contributions	10,182	6,321
	<hr/> <hr/>	<hr/> <hr/>

9 Key management personnel (continued)

There are no special pension arrangements for the Chief Executive, who is an ordinary member of the defined contribution pension scheme

No emoluments were paid to Board directors during the year (2023: £nil). No expense allowances were paid during the year to members of the Board (2023: £nil). BHA provided Chartered Institute of Housing subscriptions for 4 Board members during the year (2023: 4) and access to Inside Housing for 1 Board member (2023: nil).

10 Taxation

The association has charitable status and benefits from various exemptions from taxation afforded by the tax legislation and is not therefore liable to corporation tax on income or gains falling within these exemptions. The association is not registered for Value Added Tax.

11 Tangible fixed assets – housing properties

	Properties held for development	Properties held for letting	Total
	£	£	£
Cost			
At 1 April 2023	387,888	24,815,597	25,203,485
Works to existing properties	-	576,100	576,100
Disposal of components	-	(79,757)	(79,757)
Additions	22,800	-	22,800
	<hr/>	<hr/>	<hr/>
At 31 March 2024	410,688	25,311,940	25,722,628
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2023	-	8,216,529	8,216,529
Charge for the year	-	348,008	348,008
On disposals	-	(39,453)	(39,453)
	<hr/>	<hr/>	<hr/>
At 31 March 2024	-	8,525,084	8,525,084
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2024	410,688	16,786,856	17,197,544
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2023	387,888	16,599,068	16,986,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Housing properties held for letting include long leasehold properties with a cost of £229,377 (2023: £229,377), accumulated depreciation of £65,259 (2023: £58,716) and net book value of £164,118 (2023: £170,661).

II Tangible fixed assets – housing properties (continued)

Expenditure on works to existing properties

	2024 £	2023 £
Components capitalised	391,236	633,538
Retrofit sustainability works	184,863	-
	<hr/>	<hr/>
Total works on existing properties capitalised	576,099	633,538
Amounts charged to the statement of comprehensive income	259,125	405,349
	<hr/>	<hr/>
	835,224	1,038,887
	<hr/>	<hr/>

Social housing assistance

	2024 £	2023 £
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	5,991,570	5,992,745
Held as deferred income	4,068,662	4,067,487
Grants received in the year and held as deferred income	126,108	-
	<hr/>	<hr/>
	10,186,340	10,060,232
	<hr/>	<hr/>
Capital grant received	9,360,393	9,234,285
Revenue grant received	825,947	825,947
	<hr/>	<hr/>
	10,186,340	10,060,232
	<hr/>	<hr/>

Impairment

We consider individual schemes to be separate Cash Generating Units when assessing for impairment, in accordance with the requirements of FRS 102 and SORP 2018.

No impairment is considered necessary as at 31 March 2024.

12 Investment properties non-social housing properties held for letting

	2024 £	2023 £
Net book value		
At 1 April	735,000	750,000
Gain / (loss) on revaluation	-	(15,000)
	<hr/>	<hr/>
At 31 March	735,000	735,000
	<hr/> <hr/>	<hr/> <hr/>

The former office at 303B Upper Street is currently let at a market rent. The valuation of £735,000 at 31 March 2024 was undertaken by a local real estate firm, Savills, and is based on market conditions with an active market, the price per square foot and selling price of similar properties in the same area.

13 Tangible Fixed Assets - Other

	Freehold offices £	Furniture, fixtures & fittings £	Computers & office equipment £	Plant & Equipment £	Total £
Cost					
At 1 April 2023	63,270	25,799	198,754	72,692	360,515
Additions	-	-	5,067	6,180	11,247
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	63,270	25,799	203,821	78,872	371,762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2023	62,946	19,163	165,177	36,978	284,264
Charge for the year	162	1,570	18,032	15,774	35,538
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	63,108	20,733	183,209	52,752	319,802
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2024	162	5,066	20,612	26,120	51,960
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2023	324	6,636	33,577	35,715	76,252
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14 Debtors

	2024 £	2023 £
Arrears of rent and service charges	151,822	151,668
Less: provision for bad and doubtful debts	(83,020)	(85,621)
	<u>68,801</u>	<u>66,047</u>
Prepayments and accrued income	129,647	186,006
	<u>198,448</u>	<u>252,053</u>

The difference between the net present value of arrears balances with a payment plan is not materially different from the actual balances. Therefore, no adjustment has been made in these financial statements.

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Rent and service charges received in advance	69,268	67,740
Trade creditors	294,388	262,978
Accruals and deferred income	90,352	112,911
Taxation and social security	18,880	13,160
Other creditors	5,850	3,792
Deferred grant income (note 17)	100,932	124,932
Loan capital repayment (note 18)	230,000	215,000
	<u>809,670</u>	<u>800,513</u>

The balance above includes an accrual for holiday leave pay of £9,588 (2023: £8,485), which represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The accrual is measured as the salary cost payable for the period of absence.

16 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Deferred grant income (note 17)	3,967,730	3,942,554
Debt (note 18)	4,052,500	3,982,500
	<hr/>	<hr/>
	8,020,230	7,925,054
	<hr/> <hr/>	<hr/> <hr/>

17 Deferred grant income

	2024 £	2023 £
At 1 April	4,067,486	4,252,172
Grants received in the year	126,108	-
Released to income in the year	(124,932)	(184,686)
	<hr/>	<hr/>
	4,068,662	4,067,486
At 31 March	<hr/> <hr/>	<hr/> <hr/>

	2024 £	2023 £
Amounts to be released within one year	100,932	124,932
Amounts to be released in more than one year	3,967,730	3,942,554
	<hr/>	<hr/>
	4,068,662	4,067,486
	<hr/> <hr/>	<hr/> <hr/>

18 Debt analysis

	2024 £	2023 £
Due within one year	230,000	215,000
Due after more than one year	4,052,500	3,982,500
Virgin Bank plc	4,282,500	4,197,500
Within one year	230,000	215,000
Between one and two years	230,000	215,000
Between two and five years	690,000	645,000
After five years	3,132,500	3,122,500
	4,282,500	4,197,500

The loan from Virgin Bank plc (formerly known as Clydesdale Bank plc) is secured by fixed charges on individual properties.

This loan is a ten year £8m facility, with a drawdown facility for the first two years. Capital repayments commenced from December 2022. Interest is paid quarterly at 1.45% over Bank of England base rate, plus non-utilisation fees of 0.725% on the undrawn balance of the facility.

No adjustments have been made to the carrying value of this loan.

19 Non-equity share capital

	2024 £	2023 £
Number of members		
At 1 April	17	17
Joined during the year	-	3
Cancelled during the year	(3)	(2)
At 31 March	15	18

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up. Each member agrees to contribute £nil in the event of winding up.

20 Cash flow from operating activities

	2024 £	2023 £
Surplus for the year	241,541	40,413
Depreciation of tangible fixed assets	423,850	570,730
Amortisation of government grants	(124,932)	(184,686)
Decrease/(increase) in debtors	53,605	(33,457)
Increase/(decrease) in trade and other creditors	18,158	(75,153)
Interest payable	293,841	196,269
Interest receivable	(1,782)	(1,795)
Loss on revaluation of investment properties	-	15,000
	<hr/>	<hr/>
Cash generated from operations	904,281	527,321
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	At 1 April 2023 £	Movement £	At 31 March 2024 £
Cash	631,308	213,180	844,488
Bank loans due within one year	(215,000)	(15,000)	(230,000)
Bank loans due over one year	(3,982,500)	(70,000)	(4,052,500)
	<hr/>	<hr/>	<hr/>
Total	(3,566,192)	128,180	(3,438,012)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22 Financial commitments

Capital commitments are as follows.

	2024 £	2023 £
Expenditure approved by the Board and committed	144,233	-
Expenditure approved by the Board and not committed	3,020,029	3,129,387
	<hr/>	<hr/>
	3,164,261	3,129,387
	<hr/> <hr/>	<hr/> <hr/>

22 Financial commitments (continued)

The expenditure approved by the Board but not contracted for at 31 March 2024 represents the approved cost of

- the proposals to develop some of the garages at Morland Mews into six new units for £2.3m
- continued retrofit works across the Association's properties for £0.8m

It is anticipated that grants will be received of £1.2m for the Morland Mews project and a further £0.4m for the retrofit works.

23 Related parties

The Association has 2 tenant Board members (2023: 3). The rent and terms of their tenancies are on normal commercial terms. Rents received from the tenant Board members are £26,786 (2023: £25,238) of which £290 (2023: £nil) is included in amounts owing at the year end.

The Association maintains a register of interests for its Board Members and Leadership Team.

There are no other related party transactions to disclose.