

Financial Conduct Authority registration number 25918R  
Registered Provider number LH3889

**HAVANT HOUSING ASSOCIATION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# HAVANT HOUSING ASSOCIATION LIMITED

## INFORMATION

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<b>Directors</b>	Damian Haley David Walsh Georgia Kirby-Watts Joseph Nicholson Peter Wakefield Simon Williams (Chair) Joanne Evans Joanne Martin Claire Virginie Stephanie Wood	(Appointed 29 September 2022) (Appointed 29 September 2022) (Appointed 29 September 2022) (Appointed 29 September 2022)
<b>Secretary</b>	Raife West	
<b>FCA registration number</b>	25918R	
<b>Registered Provider number</b>	LH3889	
<b>Registered office</b>	25 East Street Havant Hampshire PO9 1AA	
<b>Auditors</b>	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	
<b>Bankers</b>	Lloyds Bank plc 4 West Street Havant Hampshire PO19 1PE	
<b>Solicitors</b>	Foot Anstey LLP The White Building 1-4 Cumberland Place Southampton Hampshire SO15 2NP	

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# HAVANT HOUSING ASSOCIATION LIMITED

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# HAVANT HOUSING ASSOCIATION LIMITED

## REVIEW OF THE BUSINESS

### FOR THE YEAR ENDED 31 MARCH 2023

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The Board members present their report and financial statements for the year ended 31 March 2023.

The association's primary activity during the year was the owning and management of supported housing.

We will continue to seek to develop additional 1 bed flats in Havant that will better meet the needs of current and future tenants.

Our internal support service (Life Skills Mentors) continues to be an invaluable resource. This service has capacity to look further outwards into the community and we will market this into the future.

We will also continue to deliver step down Mental Health provision with the NHS that prevents admissions to hospital and relieve pressures around bed blocking. This results in significant savings for the NHS.

The organisation continues to generally perform well in key areas of housing management and property services provision, which are demonstrated in the value for money metrics section.

Targets for next year will further improve this area with a focus on affordability for tenants. This will ensure the organisation delivers the most cost effective and highest quality services possible to meet regulatory changes and the many challenges of the future.

Our current Strategic Plan will support us to further develop our relationship with tenants and ensure the organisation continues to meet wider challenges.

In the coming year we will focus on co-production with tenants on a variety of projects and we will complete an independent tenant satisfaction survey. We will also undertake a full Stock Condition Survey to support us to finesse and plan our decarbonisation journey into the future.

The surplus for the year of £150,226 will be predominately utilised for future development and investment in our existing stock. Opportunities for acquisitions and new business will continue to be explored.

HHA has again demonstrated a strong financial performance and excellent service delivery during 2022-23.

Such performance, with the support needs of the tenants being met, provides a robust platform on which further development opportunities can be assessed as the organisation strives to offer more, high quality homes, to meet local housing need.

By order of the board



.....  
Raife West

**Secretary**

Signed on 18 Sep 2023, 3:07 PM BST  
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# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their annual report and financial statements for the year ended 31 March 2023.

### **Principal activities**

The principal activity of the association continued to be the development and management of supported housing accommodation.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Damian Haley	
David Walsh	
Georgia Kirby-Watts	
Joseph Nicholson	
Peter Wakefield	
Simon Williams (Chair)	
Joanne Evans	(Appointed 29 September 2022)
Joanne Martin	(Appointed 29 September 2022)
Claire Virginie	(Appointed 29 September 2022)
Stephanie Wood	(Appointed 29 September 2022)

All directors hold one share in the association.

### **Results and dividends**

The results for the year are set out on page 14.

### **Directors' insurance**

The association maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the association.

### **Auditor**

A resolution proposing that Jones Avens Limited be reappointed as auditors of the association will be put to the Annual General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditors are aware of that information.

# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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### HHA's Value for Money (VfM) statement 2022-23

#### What we mean by the term “value for money”?

- For HHA, VfM is achieved when there is an optimal balance between low costs, high productivity, and successful outcomes. We aim to make the best use of its resources and assets in delivering the strategic objectives, whilst delivering the optimum benefit.

#### We have 3 VfM main objectives:

- Provide efficient and effective landlord services
- Maximise our contribution to tackling housing need
- Continually improve the return on our assets

#### What is our approach to investment?

- Invest in improving the quality of our properties through good asset management
- Make use of our 100% stock ownership to enable us to invest in developing new housing units to further meet housing need and improve our value for money performance
- Maintain strong gearing and treasury management

#### How do we measure our VfM performance?

We have a variety of VfM measures that tracks our progress against these objectives. We monitor and report our performance against the 24 measures created by the Regulator of Social Housing Metrics and the Value for Money metrics.







We compare our performance with supported housing peers via Acuity benchmarking that supports us to monitor and review our performance. All data is reported quarterly to the HHA Board for review with the Audit & Risk Committee reviewing VfM and benchmarking annually.

# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

### Regulator of Social Housing (RSH) metrics

RSH metrics	HHA 2022	HHA 2023	HHA 2024 Target*	Benchmark Upper Quartile 2023**	HHA's Quartile	HHA's Rank	Trend
	<b>Business Health</b>						
Operating margin (overall)	28%	23%	21%	12.2%	1	2	
Operating margin (social housing lettings)	30%	22%	20%	12.1%	1	2	
EBITDA MRI	848%	695%	718%	801%	N/A	N/A	
	<b>Development (supply &amp; capacity) New supply delivered</b>						
Social housing	0	0	0	3.5	3	8	
Gearing	-35%	-40%	-51%	35.76%	N/A	N/A	
	<b>Outcomes delivered</b>						
Reinvestment	4%	0.5%	0.5%	7%	4	9	
	<b>Effective asset management</b>						
Return on capital employed (ROCE) %	6%	2%	5%	11%	4	11	
	<b>Operating efficiencies</b>						
Headline social housing cost per unit	£5,396	£6,197	£7,098	£8,438	1	1	

\*HHA Target assumes no development in 2024\*\*Acuity Benchmarking – Supported Housing peer group (Data available from 31 organisations Nationwide June 2023) Quartile Ranking = 1 - Top, 2 - 2<sup>nd</sup>, 3 - 3<sup>rd</sup>, 4 - Bottom

# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

### Regulator of Social Housing (RSH) Value for Money Metrics

RSH metrics	HHA 2022	HHA 2023	HHA 2024 Target	Benchmark Upper Quartile 2023*	HHA's Quartile	HHA's Rank	Trend
Cost per property of Housing Management	£532	£585	£653	£486.52	2	4	
Cost per property of responsive repairs and void works	£556	£715.19	£675	£603.11	2	2	
Cost per property Major and cyclical repairs	£673	£740	£750	£615.22	2	4	
Overhead costs as a % of turnover	20%	21%	21%	12%	3	8	
Reactive spend per property pw	£6.73	£8.94	£8.39	£3.83	1	3	
Cyclical maintenance spend per property pw	£4.30	£3.89	£4.19	£0.76	1	3	
Major works spend per property pw	£8.65	£9.63	£8.36	£8.52	2	4	



# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023



RSH metrics	HHA 2022	HHA 2023	HHA 2024 Target	Benchmark Upper Quartile 2023*	HHA's Quartile	HHA's Rank	Trend
Service Charge cost per unit	£607	£642	£732	£672	1	1	↑
Overheads (repairs) spend per property pw	£9.35	£9.74	£7.78	£8.19	2	3	↓
Fees spend per property pw	£0.00	£0.00	£0.00	£0.00	1	1	↑
Void works spend per property pw	£3.29	£4.41	£2.91	£2.82	3	6	↓
Other repairs spend per property pw	£0.00	£0.00	£0.00	£0.00	1	1	↓
Units in pipeline	0	0	0	0	N/A	N/A	
Income Collection (arrears as % annual rent debit)	100%	99.93%	100%	99.57%	1	2	↔

# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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RSH metrics	HHA 2022	HHA 2023	HHA 2024 Target	Benchmark Upper Quartile 2023*	HHA's Quartile	HHA's Rank	Trend
Void turnaround (Av re-let time days)	17	7.9	14	9	1	4	
Annual void loss (as % of rent debit)	1.92%	1.38%	1.5%	3.96%	1	1	

*\*HHA Target assumes no development in 2024 \*\*Acuity Benchmarking – Supported Housing peer group (Data available from 31 organisations Nationwide June 2023) Quartile Ranking = 1 - Top, 2 - 2<sup>nd</sup>, 3 - 3<sup>rd</sup>, 4 - Bottom*

### What were we happy about?

This is the third year that HHA has benchmarked in this way. In most measures we are in the top two quartiles and rank highly.

### What were we less happy about?

We have two metrics in the 4<sup>th</sup> quartile. These are reinvestment and return on capital employed metric. This change is due to no development during the past year. The absence of development also impacts the social housing delivery and overhead costs as a % of turnover metric that has changed the quartile and rank.

Void works spend per property pw is in the third quartile. However, HHA had low rates of voids compared to our peers and where we did have voids, we often undertake major works whilst the unit was vacant to minimise disruption.

Some changes in position in the top two quartiles are also due to global costs rising in areas such as pensions

We are currently between developments, which has meant that costs have been spread over fewer units than in previous years. Delivery of a development circa 20 units will help us address that issue and support us to increase efficiencies for current and future tenants.

# HAVANT HOUSING ASSOCIATION LIMITED

## BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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### Where will we look for improvements?

We will review our performance where we fall into the 3<sup>rd</sup> & 4<sup>th</sup> quartiles and plan to ensure that these metrics are moved into at least the 2<sup>nd</sup> quartile where possible. This will be monitored via our performance report at our Audit & Risk Committee and Board.

### VfM Targets 2023-24

#### **VfM Objective 1 - Provide efficient and effective landlord services**

We will do this by improving our housing management and maintenance services. Collecting income in parallel with ensuring void turnaround is dealt with quickly is paramount in ensuring we improve our return on assets.

#### **VfM Objective 2 – Deliver additional units to increase our contribution to tackling housing need**

We will achieve this by continuing to generate a surplus and use it to subsidise our development costs and reduce per unit costs in all areas with the addition of units.

#### **VfM Objective 3 - Continually improve the return on our assets**

We will aim to ensure that any additional borrowing for development is fixed at a low rate as possible to enable us to continue investing without worrying about rising interest rates.

HHA has demonstrated a strong financial performance and excellent service delivery during a pandemic.

Such performance, with the support needs of the tenants continuing to be met, provides a robust platform on which further development opportunities can be assessed as the organisation strives to offer more, high quality homes, to meet the local housing need.

By order of the board



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Raife West

**Secretary**

Signed on 18 Sep 2023, 3:07 PM BST

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# HAVANT HOUSING ASSOCIATION LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2023**

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 the association 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 the association and enable it to ensure that the financial statements comply with 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 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

### **Code of Governance**

The association has undertaken a self-assessment against the National Housing Federation Code of Governance 2020 and is fully compliant. We will continue to review our governance performance against this code. Havant Housing Association has also adopted the National Housing Federation Code of Conduct 2022.

### **Internal Control**

The Board acknowledges its responsibility for the system of internal controls and confirms that there are ongoing processes for maintaining sound systems of internal control and for managing significant risks. These processes have been in place throughout the year and have been under review via internal audit, up to the date of signing of the financial statements, and they are regularly reviewed by the Audit & Risk Committee and Board.

# HAVANT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HAVANT HOUSING ASSOCIATION LIMITED

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#### Opinion

We have audited the financial statements of Havant Housing Association Limited (the 'association') for the year ended 31 March 2023 set out on pages 14 to 32. 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 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

#### 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The directors are 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# HAVANT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HAVANT HOUSING ASSOCIATION LIMITED

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

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report or the Board Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend 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.

#### **Identification and assessment of irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures were capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including the 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;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
  - the risks of fraud;
  - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

# HAVANT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HAVANT HOUSING ASSOCIATION LIMITED

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#### **Audit response to the risk of irregularities including fraud**

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

#### **Conclusions regarding the risks of irregularities including fraud**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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

# HAVANT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HAVANT HOUSING ASSOCIATION LIMITED

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#### **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.

**Jones Avens Limited**

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**Chartered Accountants  
Statutory Auditor**

Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX



# HAVANT HOUSING ASSOCIATION LIMITED

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover	<b>3</b>	1,112,307	1,069,769
Administrative expenses		(965,760)	(741,826)
<b>Operating surplus</b>	<b>6</b>	146,547	327,943
Interest receivable and similar income	<b>9</b>	53,679	29,261
Interest payable and similar expenses	<b>10</b>	(50,000)	(35,000)
Surplus on disposal of housing property		-	121,947
<b>Surplus before taxation</b>		150,226	444,151
Taxation	<b>11</b>	-	-
<b>Surplus for the financial year</b>		150,226	444,151
Actuarial (loss)/gain on defined benefit pension schemes		(32,000)	32,000
<b>Total comprehensive income for the year</b>		118,226	476,151

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

Signed on behalf of the board



Simon Williams (Chair)

**Director**

Signed on 21 Sep 2023, 9:19 AM BST



Damian Haley

**Director**

Signed on 19 Sep 2023, 7:40 PM BST



Raife West

**Secretary**

Signed on 18 Sep 2023, 3:08 PM BST

# HAVANT HOUSING ASSOCIATION LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		5,227,478		5,378,252
<b>Current assets</b>					
Debtors	13	63,178		57,955	
Investments	14	1,154,482		-	
Cash at bank and in hand		956,316		1,886,293	
		2,173,976		1,944,248	
<b>Creditors: amounts falling due within one year</b>	15	(117,818)		(93,466)	
Net current assets			2,056,158		1,850,782
<b>Total assets less current liabilities</b>			7,283,636		7,229,034
<b>Creditors: amounts falling due after more than one year</b>	16		(2,731,583)		(2,785,211)
<b>Provisions for liabilities</b>			(244,000)		(254,000)
<b>Net assets</b>			4,308,053		4,189,823
<b>Capital and reserves</b>					
Share capital	18		11		7
Income and expenditure account			4,308,042		4,189,816
<b>Total equity</b>			4,308,053		4,189,823

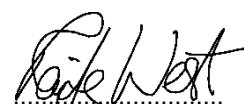
The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:



Simon Williams (Chair)  
Director



Damian Haley  
Director



Raife West  
Secretary

Signed on 21 Sep 2023, 9:19 AM BST Signed on 19 Sep 2023, 7:41 PM BST

Signed on 18 Sep 2023, 3:08 PM BST

# HAVANT HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Income and expenditure account £	Total £
<b>Balance at 1 April 2021</b>		8	3,713,665	3,713,673
<b>Year ended 31 March 2022:</b>				
Surplus for the year		-	444,151	444,151
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	32,000	32,000
Total comprehensive income for the year		-	476,151	476,151
Forfeited shares		(1)	-	(1)
<b>Balance at 31 March 2022</b>		7	4,189,816	4,189,823
<b>Year ended 31 March 2023:</b>				
Surplus for the year		-	150,226	150,226
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(32,000)	(32,000)
Total comprehensive income for the year		-	118,226	118,226
Issue of share capital	18	4	-	4
<b>Balance at 31 March 2023</b>		11	4,308,042	4,308,053

# HAVANT HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		269,177		626,368
<b>Investing activities</b>					
Purchase of tangible fixed assets		(55,355)		(191,804)	
Proceeds on disposal of tangible fixed assets		-		60,007	
Other investments and loans made		(1,154,482)		-	
Interest received		10,679		261	
<b>Net cash used in investing activities</b>			(1,199,158)		(131,536)
<b>Financing activities</b>					
Proceeds from issue of shares		4		-	
<b>Net cash generated from/(used in) financing activities</b>			4		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(929,977)		494,832
Cash and cash equivalents at beginning of year			1,886,293		1,391,461
<b>Cash and cash equivalents at end of year</b>			956,316		1,886,293

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# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 MARCH 2023*

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### 1 Accounting policies

#### Company information

Havant Housing Association Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is 25 East Street, Havant, Hampshire, PO9 1AA. The nature of the association's operations and principal activities are the rental and management of social housing sheltered flats.

The association constitutes a public benefit entity as defined by FRS 102.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP), and with the Accounting Direction for private registered providers of social housing in England 2022 (which has been early adopted as encouraged by the Regulator of Social Housing). The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

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

The financial statements have been prepared on the historical cost convention.

#### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charge income receivable in the year net of rent and service charge losses from voids, revenue grants and the amortisation of government grants.

Where the association carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the income and expenditure account. Where the agent carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the association.

Interest income is recognised using the effective interest method and dividend income is recognised as the association's right to receive payment is established.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	From 10 to 100 years straight line basis
Fixtures, fittings & equipment	5 years straight line basis
Office	100 years straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

Major components of housing properties, including roofs (70 years), windows & doors (30 years), boilers & heating (15 years), bathrooms (30 years), kitchens (20 years), lifts (20 years) and electrics (40 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

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

#### 1.5 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

#### 1.6 Cash and cash equivalents

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

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

##### **Basic financial assets**

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through the income and expenditure account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in income and expenditure.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### **Classification of financial liabilities**

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

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.8 Taxation

The association has charitable status with HM Revenue and Customs and no charge to Corporation Tax tax arises on these results. Deferred tax is therefore also not applicable.

The association is not registered for VAT and all expenditure is shown inclusive of VAT.

### 1.9 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Payments are also made to a multi-employer defined benefit scheme, which has been accounted for as a defined benefit scheme in accordance with the accounting standard as set out below.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.



# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.12 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 2 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Multi employer defined benefit pension scheme***

Payments are made to a multi-employer defined benefit pension scheme and prior to 1 April 2018, due to the nature of the scheme it was not possible to identify on a reasonable and consistent basis the share of the underlying assets and liabilities. Therefore the scheme was accounted for as a defined contribution scheme and a provision was recognised for the present value of the future deficit funding contributions .

Following a number of changes to the systems and processes by TPT Retirement Solutions this information has become available and the scheme has been treated as a defined benefit scheme from 1 April 2018, the first date for which this information is available. See notes and 19.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Estimated useful lives***

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

#### ***Multi employer defined benefit pension scheme***

See notes and 19 for details of estimates and assumptions regarding the pension scheme.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 3 Social housing turnover and costs

	2023 £	2022 £
Rents receivable excluding service charges	643,509	616,601
Service charges receivable	424,863	407,063
Support income receivable	1,009	1,024
Other sundry income	465	324
Amortisation of capital grants	33,628	33,628
	<u>1,103,474</u>	<u>1,058,640</u>
Social housing activity expenditure	(965,760)	(741,826)
	<u>137,714</u>	<u>316,814</u>
Operating surplus/(deficit) from social housing activities	<u>141,393</u>	<u>311,075</u>
Net surplus/(deficit) from social housing activities	<u>141,393</u>	<u>311,075</u>
Void losses	<u>(12,887)</u>	<u>(17,016)</u>

### 4 Exceptional item

	2023 £	2022 £
<b>Expenditure</b>		
Surplus on disposal of housing property	-	(121,947)
	<u>-</u>	<u>(121,947)</u>

### 5 Accommodation owned and in management

	Number of units at 31 March 2023	Number of units at 31 March 2022
<b>Completed units:</b>		
Supported housing	126	126
<b>Units under development:</b>		
Supported housing	-	-
	<u>126</u>	<u>126</u>

### 6 Operating surplus

	2023 £	2022 £
Operating surplus for the year is stated after charging/(crediting):		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	3,790	3,790
Accountancy services	1,533	1,443
Depreciation of owned tangible fixed assets	101,987	101,651
Deficit on disposal of tangible fixed assets	104,142	1,209
Operating lease charges	5,751	5,671
	<u>117,193</u>	<u>113,764</u>

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Employees

The average monthly number of persons (including directors) employed by the association during the year was:

	2023 Number	2022 Number
Management, administration and care	10	10
Average full time equivalents (based on a 37 hour week)	8	8

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	301,059	264,229
Social security costs	24,714	20,596
Pension costs	26,581	17,701
	352,354	302,526

There are no employees who received more than £60,000 as their employee package with the association, other than key management personnel, see note 8.

### 8 Board and key management personnel remuneration

	2023 £	2022 £
Remuneration for qualifying services	77,125	74,388

The highest paid director received £77,125 (2022 - £74,388) remuneration (excluding pension contributions).

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

The executive officers are ordinary members of the pension schemes, on the same terms as other employees. Contributions payable were £5,367 (2022 - £124),

### 9 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	10,679	261
Interest on the net defined benefit asset	43,000	29,000
Total income	53,679	29,261

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

(Continued)

### 9 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through the income and expenditure account	10,679	261
	<u>          </u>	<u>          </u>

### 10 Interest payable and similar expenses

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Other finance costs:</b>		
Net interest on the net defined benefit liability	50,000	35,000
	<u>          </u>	<u>          </u>

### 11 Taxation

The association has charitable status with HM Revenue & Customs and on the basis of these financial statements no provision has been made for corporation tax.

### 12 Tangible fixed assets

	Housing properties	Fixtures, fittings & equipment	Office	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	6,555,971	255,562	73,919	6,885,452
Additions	-	4,910	-	4,910
Replacement components	50,445	-	-	50,445
Disposals	(106,238)	-	-	(106,238)
At 31 March 2023	<u>6,500,178</u>	<u>260,472</u>	<u>73,919</u>	<u>6,834,569</u>
<b>Depreciation and impairment</b>				
At 1 April 2022	1,242,251	251,345	13,604	1,507,200
Depreciation charged in the year	99,105	2,290	592	101,987
Eliminated in respect of disposals	(2,096)	-	-	(2,096)
At 31 March 2023	<u>1,339,260</u>	<u>253,635</u>	<u>14,196</u>	<u>1,607,091</u>
<b>Carrying amount</b>				
At 31 March 2023	<u>5,160,918</u>	<u>6,837</u>	<u>59,723</u>	<u>5,227,478</u>
At 31 March 2022	<u>5,313,720</u>	<u>4,217</u>	<u>60,315</u>	<u>5,378,252</u>

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2023 £	2022 £
Freehold	5,108,669	5,222,386
Long leasehold	151,204	151,649
	<u>5,259,873</u>	<u>5,374,035</u>

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Social housing rent arrears	45,218	42,504
Trade debtors	4,233	3,289
Other debtors	942	800
Prepayments and accrued income	12,785	11,362
	<u>63,178</u>	<u>57,955</u>

### 14 Current asset investments

	2023 £	2022 £
Unlisted investments	1,154,482	-
	<u>1,154,482</u>	<u>-</u>

Current asset investments comprise deposit accounts with maturity lengths of more than 3 months.

### 15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Trade creditors		37,685	17,907
Rents paid in advance		2,559	2,945
Other taxation and social security		7,427	6,575
Government grants	17	33,628	33,628
Other creditors		6,710	5,274
Accruals and deferred income		29,809	27,137
		<u>117,818</u>	<u>93,466</u>

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Government grants	17	2,751,583	2,785,211
Other creditors		(20,000)	-
		<u>2,731,583</u>	<u>2,785,211</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £2,583k (2022: £2,617k ).

### 17 Government grants

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Current liabilities	33,628	33,628
Non-current liabilities	2,751,583	2,785,211
	<u>2,785,211</u>	<u>2,818,839</u>
<b>Social housing government grants</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	3,362,603	3,362,603
Receivable in the year	-	60,000
Recycled	-	(60,000)
	<u>3,362,603</u>	<u>3,362,603</u>
At 31 March 2023	3,362,603	3,362,603
	<u>543,764</u>	<u>524,536</u>
<b>Amortisation</b>		
At 1 April 2022	543,764	524,536
Amortised during the year	33,628	33,628
Written back on disposal	-	(14,400)
	<u>577,392</u>	<u>543,764</u>
At 31 March 2023	577,392	543,764
	<u>2,785,211</u>	<u>2,818,839</u>
<b>Carrying amount</b>		
At 31 March 2023	2,785,211	2,818,839

In addition to the total above of £3,362,603, an additional sum of £288,000 would be repayable or recyclable on disposal of the relevant housing property.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 18 Share capital

	2023 £	2022 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Brought forward	7	8
Issued during the year	4	-
Forfeited during the year	-	(1)
	<u>11</u>	<u>7</u>
11 Ordinary shares of £1 each	<u>11</u>	<u>7</u>

### 19 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to income and expenditure in respect of defined contribution schemes	15,576	1,566
	<u>15,576</u>	<u>1,566</u>

#### Defined benefit schemes

The association operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits as a percentage of final salary on attainment of a retirement age of 67. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by TPT Retirement Solutions with an effective date of 30 September 2021. The 31 March 2023 position was projected from the 30 September 2021 data. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

<i>Key assumptions</i>	2023 %	2022 %
Discount rate	4.88	2.79
Expected rate of salary increases	3.74	4.21
Inflation (RPI/CPI)	3.20/2.74	3.62/3.21
Allowance for commutation of pension cash at retirement	75	75
	<u>75</u>	<u>75</u>

#### Mortality assumptions

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies at 65 years of age:

	2023 Years	2022 Years
Retiring in 2023		
- Males	21	21.1
- Females	23.4	23.7
	<u>23.4</u>	<u>23.7</u>
Retiring in 2043		
- Males	22.2	22.4
- Females	24.9	25.2
	<u>24.9</u>	<u>25.2</u>



# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Retirement benefit schemes	(Continued)	
	2023	2022
	£	£
<i>Defined benefit costs recognised in the statement of comprehensive income</i>		
Current service cost	5,000	9,000
Net interest on defined benefit liability/(asset)	7,000	6,000
Other costs and income	3,000	3,000
	<u>15,000</u>	<u>18,000</u>
Actual return on scheme assets	486,000	(194,000)
Less: calculated interest element	43,000	29,000
	<u>529,000</u>	<u>(165,000)</u>
Return on scheme assets excluding interest income	529,000	(165,000)
Actuarial changes related to obligations	(497,000)	133,000
	<u>32,000</u>	<u>(32,000)</u>
Total costs/(income)	32,000	(32,000)
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	1,321,000	1,797,000
Fair value of plan assets	(1,077,000)	(1,543,000)
	<u>244,000</u>	<u>254,000</u>
Deficit in scheme	<u>244,000</u>	<u>254,000</u>
		<b>2023</b>
<i>Reconciliation of opening and closing balances of the the defined benefit obligation</i>		<b>£</b>
Liabilities at 1 April 2022		1,797,000
Current service cost		5,000
Benefits paid		(41,000)
Contributions from scheme members		4,000
Actuarial gains and losses		(497,000)
Interest cost		50,000
Other		3,000
		<u>1,321,000</u>
At 31 March 2023		<u>1,321,000</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 19 Retirement benefit schemes (Continued)

	2023
	£
<i>Reconciliation of opening and closing balances of the fair value of plan assets</i>	
Fair value of assets at 1 April 2022	1,543,000
Interest income	43,000
Return on plan assets (excluding amounts included in net interest)	(529,000)
Benefits paid	(41,000)
Contributions by the employer	57,000
Contributions by scheme members	4,000
	<hr/>
At 31 March 2023	1,077,000
	<hr/> <hr/>

The actual return on the plan assets (including any changes in share of assets) over the period was £486,000 (2022 - £194,000).

	2023	2022
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Debt instruments	54,000	85,000
Property	78,000	82,000
Liability driven investment	496,000	431,000
Global equity	20,000	296,000
Bonds and securities	-	139,000
Infrastructure	123,000	110,000
Other	306,000	400,000
	<hr/>	<hr/>
	1,077,000	1,543,000
	<hr/> <hr/>	<hr/> <hr/>

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

### 20 Financial commitments, guarantees and contingent liabilities

#### The Pensions Trust

Havant Housing Association Limited has been notified by TPT Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2022. As of this date the estimated employer debt for Havant Housing Association Limited was £720,675.

#### Face to Face Daesin

Under the terms of the Face to Face donation agreement arising during the year ended 31 March 2003, Havant Housing Association Limited shall indemnify and keep indemnified the Trustees of Face to Face Dasein from and against all actions, proceedings, costs, claims, demands, liabilities and expenses whatsoever and howsoever arising, both now or in the future. The total liability of Havant Housing Association Limited shall not exceed £324,148.

# HAVANT HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 21 Operating lease commitments

#### Lessee

At the reporting end date the association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	4,455	4,874
Between two and five years	3,276	7,240
	<u>7,731</u>	<u>12,114</u>

### 22 Cash generated from operations

	2023 £	2022 £
Surplus for the year after tax	150,226	444,151
<b>Adjustments for:</b>		
Finance costs	50,000	35,000
Investment income	(53,679)	(29,261)
Deficit on disposal of tangible fixed assets	104,142	1,209
Depreciation and impairment of tangible fixed assets	101,987	101,651
Forfeited shares	-	(1)
Pension scheme non-cash movement	(49,000)	(31,000)
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(5,223)	145,137
Increase/(decrease) in creditors	4,352	(6,890)
(Decrease) in deferred income	(33,628)	(33,628)
<b>Cash generated from operations</b>	<u>269,177</u>	<u>626,368</u>

### 23 Analysis of changes in net funds

	1 April 2022 £	Cash flows 31 March 2023 £	
Cash at bank and in hand	1,886,293	(929,977)	956,316
	<u>1,886,293</u>	<u>(929,977)</u>	<u>956,316</u>