

Registered Provider of Social Housing No: LH0870
Registered Co-operative and Community Benefit Society No: 16849R

Gravesend Churches Housing Association Limited

Annual Report and Financial Statements

for the year ended 31 March 2024

Gravesend Churches Housing Association Limited

Board information

The Board	Marie Li Mow Ching (Chair)	Appointed July 2023
	Monika Ziola	Retired September 2023
	Eileen Jordan	
	Nicola Bowen	
	Jim McLaughlin	
	Andrew Pert	Appointed July 2024
	Brian Horton	
	Michelle Mullen	Resigned April 2023
	Manpreet Bhupal	Resigned April 2024
	Omobukunla McGlynn	
	Abay Aromire	
	Chris Starke	
	Paul Sylva	
Roselyn Unegbu	Appointed July 2023	
Chief Executive	Omobukunla McGlynn	
Registered Provider of Social Housing No.	LH0870	
Registered Co-operative and Community Benefit Society No.	16849R	
Registered Office	14 London Road Northfleet Kent DA11 9JQ	
Auditors	CLA Evelyn Partners Limited 45 Gresham Street London EC2V 7BG	
Bankers	Barclays Bank	
Solicitors	Sharratts (London) LLP 1 The Old Yard, Rectory Lane Brasted Westerham Kent TN16 1JP	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
	Birketts LLP 141 – 145 Princess Street Ipswich Suffolk IP1 1QJ	

Gravesend Churches Housing Association Limited

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Gravesend Churches Housing Association Limited

Board Report for the Year Ended 31 March 2024

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

Principal activity

The principal activity of the Association is the provision and management of social rented homes to those in housing need within the communities where the Association operates.

Corporate governance

Gravesend Churches Housing Association Limited (GCHA) has adopted the National Housing Federation Code of Governance 2020 and are fully compliant with all areas of the code.

The Board

The Board who served during the year and up to the date of signature are as stated below:

		Year appointed
Marie Li Mow Ching (Chair)	Appointed July 2023	2023
Monika Ziola	Retired September 2023	2017
Eileen Jordan		2018
Nicola Bowen		2018
Jim McLaughlin		2018
Michelle Mullen	Resigned April 2023	2020
Manpreet Bhupal	Resigned April 2024	2020
Brian Horton		2021
Abay Aromire		2022
Chris Starke		2022
Paul Sylva		2023
Roselyn Unegbu	Appointed July 2023	2023
Omobukunla McGlynn		2021
Andrew Pert	Appointed July 2024	2024

Our strategic objectives

Our vision is long term and aspirational and our strategic priorities are to:

- deliver good quality homes and excellent services in safe neighbourhoods;
- maintain high levels of resident and staff satisfaction and engagement;
- develop new energy efficient affordable homes; and
- remain financially viable and strong.

Gravesend Churches Housing Association Limited

Board Report for the Year Ended 31 March 2024

Governance and Financial Viability Standards

The Board has considered how the Association meets the Governance and Financial Viability Standards set by the Social Housing Regulator which includes the following required outcomes:

Governance

Registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements shall ensure registered providers:

- (a) adhere to all relevant law
- (b) comply with their governing documents and all regulatory requirements
- (c) are accountable to tenants, the regulator and relevant stakeholders
- (d) safeguard taxpayers' interests and the reputation of the sector
- (e) have an effective risk management and internal controls assurance framework
- (f) protect social housing assets

Financial viability

Registered providers shall manage their resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk.

The Board has concluded that GCHA is compliant with the Governance and Financial Viability Standards.

Value for money statement

The Regulatory Framework for Social Housing includes a specific standard for Value for Money. Our regulator, the Regulator of Social Housing, requires registered providers to:

- clearly articulate their strategic objectives;
- have an approach agreed by their Board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders;
- through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs; and
- ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

The Board has approved the strategic priorities for GCHA as set out on page 4, which is supported by a Value for Money Strategy that was reviewed and approved by the Board in April 2024. The VfM strategy is an integral part of our Strategic Plan which also emphasises our vision and guiding values. This approach will enable us to have high resident and staff satisfaction and lower than average staff turnover. We are keen to play our role in meeting the growing housing need and improving our stock.

The Value for Money Strategy aims to deliver more social value by reinvesting surpluses and improving service outcomes. The key objectives of the strategy are:

- A robust approach to achieving VFM, including a robust approach to decision making and a rigorous appraisal of potential options for improving performance.
- Regular and appropriate consideration by the Board of potential VFM gains
- Consideration of VFM across their whole business
- Have appropriate targets in place for measuring performance in achieving VFM in delivering the organisation's strategic objectives, ensuring regular monitoring and reporting of performance against these targets.

Gravesend Churches Housing Association Limited

Board Report for the Year Ended 31 March 2024

Our Activities

GCHA is committed to maintaining its independence and delivering a high-quality service for its tenants.

Navigating the current economic environment is challenging with increased living expenses and interest rates. Our commitment to aiding residents with their rent during these difficult times has resulted in a significant reduction in rent arrears which drop to 2.76% in 2023/24 (2023: 5.5%). We maintain communication with our residents and collaborative partners to ensure they can meet their rent obligations and in doing so, maintain their homes.

This year, we have invested in our properties by delivering boiler upgrades, kitchen overhauls, bathroom renovations and safety related major works. Efforts have also gone into enhancing our Estate Management Team to improve our operational efficiency and offer our residents quicker, more personalized services.

We have invested in our information technology by upgrading our CRM system, the implementation of a text messaging service for residents, and the introduction of electronic newsletters to meet the evolving requirements of our residents. We are also upgrading our finance system to achieve better integration with our CRM systems and streamline our processes through automation.

Although we have encountered some setbacks due to technical difficulties, we are nearing the completion of our resident portal that will enable residents to modify their personal information and monitor the progress of their service requests.

In presenting the value for money metrics for 2023-2024 we continue to use benchmark comparisons with both our local benchmark club, comprising 42 London based associations of under 1,000 units, alongside the Regulator of Social Housing's Global accounts median values for associations with under 2,500 units. Both sources are the most recently available, being from the 2022-23 annual accounts. Results and commentary are highlighted below

1 REINVESTMENT %					
		£			
Properties acquired		-	Housing properties		
Development of new properties		122,237	At cost	31,768,385	
Works to existing		405,787	At valuation	9,126,538	
Capitalised interest		-			
		528,024	A	40,894,923	B
					A/B 1.3%
SPBM median	3.80%	2023-Global accounts <2,500 units	3.7%	GCHA 2022-23	2.9%

No new properties were acquired in 2024, however we continue to invest in existing properties.

Gravesend Churches Housing Association Limited

**Board Report
for the Year Ended 31 March 2024**

2 NEW SUPPLY DELIVERED %			
A		B	
New supply delivered (Social housing units)	0	New supply delivered (Non-social housing units)	0
Total social housing units managed at period end	578	Total non-social housing unit managed at period end	37
	<u>0%</u>		<u>0.0%</u>
SPBM median	0.0%	SPBM median	0.0%
Global accounts <2,500 median	0.7%	Global accounts <2,500 median	0.0%
GCHA 2022-2023	0.0%	GCHA 2022-2023	0.0%

3 GEARING %					
A		B			
Short term loans	4,864,632	Housing properties at cost	31,768,385		
Long term loans	10,839,371	Housing properties at valuation	9,126,538		
	<u>15,704,003</u>		<u>40,894,923</u>	C/D	
	C		D	38.4%	
SPBM median	14.19%	2023-Global accounts <2,500 median	32.9%	GCHA 2022-2023	38.1%

During the year, a drawdown of £500k was made from Barclays revolving credit facility. We have a slight increase in our gearing to 38.4% (2023: 38.1%). This is above the global accounts figure of 32.9% and is considerably above the SPBM median of 14.19%. The SPBM figure is anticipated to represent the lack of new developments within our benchmark group.

Gravesend Churches Housing Association Limited

**Board Report
for the Year Ended 31 March 2024**

4 EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, MAJOR REPAIRS INCLUDED (EBITDA MRI) INTEREST COVER %

	£		£	
Operating surplus/(deficit)	215,227			
- Amortised government grant	(169,955)	Capitalised interest in housing properties	-	
+ Interest receivable and other income	8,742			
- Capitalised major repairs expenditure	(405,787)	+ Interest payable and financing costs	979,299	
+ Total depreciation charge	705,570			
- Increase in value of investment property	0			E/F
	<u>353,797</u>		<u>979,299</u>	36%
	E		F	

SPBM median	177%	2023-Global accounts <2,500 median	171%	GCHA 2022-2023	265%
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GCHA has seen a significant reduction in EBITDA MRI from 265% to 36%, largely due to an impairment of £700k to one of our development sites (Lower Range Road) and significant increase in interest rates. We only fixed 75% of our loans in the last quarter of the financial year, prior to that only 50% of our loans were fixed – 2023/24 Interest payable costs were £979k (2022/23 - £513k). Finally, we have invested significantly in our existing properties during 2023/24 - £406k (2022/23 - £177k), mainly on health and fire safety related major works. However, if impairment is excluded from calculation, EBITDA MRI would be 108%.

5 HEADLINE SOCIAL HOUSING COST PER UNIT

	£			
Management costs	537,195	Total social housing units managed at period end	578	
+ Service costs	725,067			
+ Routine maintenance costs	878,216			
+ Planned maintenance costs	286,013			
+ Major repairs expenditure	405,787			
+ Other(social housing letting) costs	235,311			
+ Other social housing activities: other	-			G/H
	<u>3,067,589</u>		<u>578</u>	£5,307
	G		H	

SPBM median	£5,495	2023-Global accounts <2,500 median	£5,720	GCHA 2022 -2023	£4,963
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This metric highlights the amount spent on the social housing units of an organisation, and by excluding depreciation, largely only includes controllable costs. 2023-24 has seen an increase in cost per unit to £5,307 (2023: £4,963), due to significant investment in our existing stock, as well as increase in inflation, which rose to 10.1% during the year. However, this still sits below the SPBM median by 3.42% and by 7.20% against the global accounts for <2,500-unit.

Gravesend Churches Housing Association Limited

Board Report for the Year Ended 31 March 2024

6 OPERATING MARGIN %

	£		£
A		B	
Operating margin (social housing lettings only)		Operating margin (overall)	
Operating surplus from social housing lettings	585,163	Operating surplus (overall)	215,227
Turnover from social housing lettings	3,888,732	Turnover (overall)	4,364,677
	15.0%		4.9%
SPBM median	13.5%	SPBM median	13.22%
Global accounts <2,500 median	18.7%	Global accounts <2,500 median	16.8%
GCHA 2022-2023	10.5%	GCHA 2022-2023	16.8%

GCHA has seen its overall operating margin decrease against its last year's performance largely due to these exceptional items that occurred during the year - impairment charge of £700k and inflation costs.

However, operating margin (social housing lettings only) has increased and does sit in the upper quartile of all associations in the global accounts for less than 2,500 units.

If impairment is added, operating margin (social housing lettings only) would be -3%.

Excluding the exceptional items that occurred during the year, our overall efficiency remains healthy.

7 RETURN ON CAPITAL EMPLOYED (ROCE) %

	£		£
Operating surplus/(deficit) (overall)	215,227	Total assets less current liabilities	36,016,838
	215,227		36,016,838
	I		J
			0.6%

SPBM median	2.0%	Global accounts <2,500 median	2.1%	GCHA 2022-2023	1.7%
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Our return on capital employed has dropped to 0.6% (2023: 1.7%), due to the overall decline in operating surplus.

Throughout the year, the organisation reports to the Board on a number of KPIs, which are generated alongside the monthly accounts. Core operational targets are set and monitored, including a financial budget for the year, arrears levels and void day turnarounds. In addition, we continue to report on health & safety areas covering the following key areas; gas safety, fire safety, electrical inspections, asbestos management, legionella management and lift safety.

We continue to utilise the Southeast Consortium to ensure we reap the pricing benefits that this presents, providing us with access to contractors at rates agreed across the consortium, enabling us to benefit from economies of scale we could not achieve on our own.

In addition, we have also invested in our Estate Management Team to reduce our dependency on contractors for the small reactive works, which currently incurs heavy overhead costs with our current contractor.

GCHA processed 42 voids in 2023/24 (2022/23: 41 voids). The average relet time in 2023/24 was 47 days (2023: 50 days) which is still much higher than our target of 14 days. This was mainly due to issues regarding disrepair and changes to the local authority allocation system. 27 properties were let within our 14-day relet target. However, 16 voids were let outside of our target times due to major works. The rent void loss for the year was £26.1k (£23.5k – Social housing void loss and £2.6k – Market rent void loss). We continue to work with our contractors and local authority partners to reduce relet times.

In 2024-25 GCHA will be targeting to achieve its management accounts budget of £75k (2023/24: £52k) and Void days are targeted to be within the target of 14 days (2023: 14 days).

Gravesend Churches Housing Association Limited

Board Report for the year ended 31 March 2024

Statement of Board's responsibilities

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

The law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Association's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for Registered Social Housing Providers (SORP 2018) 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 adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018). They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 12th September 2024 and signed on its behalf by


Marie Li Mow Ching (Sep 13, 2024 11:19 GMT+1)

Marie Li Mow Ching
Chair

Date 13th September 2024



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVESEND CHURCHES HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Gravesend Churches Housing Association Limited (the "Association") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its 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 Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Gravesend Churches Housing Association Limited

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 Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the Association 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 the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 10, the members of the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the Association's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the Association's industry and regulation.

We understand that the Association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit reviews performed by an independent firm of internal auditors;
- Independent health and safety reviews across identified compliance areas;
- A risk assessment framework and register that includes regular review and scrutiny by the Audit and Risk Committee;
- An annual assessment of compliance with housing association regulations; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Association's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the association:

- FRS 102, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Housing association regulations.

Gravesend Churches Housing Association Limited

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence between regulators and the association.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were regarding the manipulation of financial statements through manual journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the association's processes and controls surrounding manual journal entries;

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, the senior statutory auditor and manager has a number of years' experience in dealing with Associations and other organisations with similar risk profiles.

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

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited (Sep 18, 2024 12:37 GMT+1)

18/09/2024

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

45 Gresham Street

London

EC2V 7BG

Date:

Gravesend Churches Housing Association Limited

**Statement of Comprehensive Income
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
Turnover		4,364,677	4,114,989
Operating expenditure		(3,449,450)	(3,423,285)
Operating surplus before impairment of housing property		915,227	691,704
Impairment of housing property		(700,000)	-
Operating surplus	4	215,227	691,704
Interest receivable and similar income	5	8,742	581,619
Interest payable and financing costs	6	(979,299)	(513,198)
(Deficit)/ Surplus for the year		(755,330)	760,125
Other comprehensive income:			
Actuarial deficit on defined benefit pension plan for the year	17	(137,000)	(97,000)
Total comprehensive (loss)/income for the year		(892,330)	663,125

There were no acquisitions and no discontinued operations for the year.

The notes on pages 18 to 37 form an integral part of these financial statements.

Gravesend Churches Housing Association Limited

**Statement of Changes in Equity
for the year ended 31 March 2024**

	Revenue reserve £	Share capital £	Total £
2023			
As at 1 April 2022	13,990,707	10	13,990,717
Surplus for the year	760,125	-	760,125
Actuarial surplus on defined benefit pension plan for the year	(97,000)	-	(97,000)
As at 31 March 2023	14,653,832	10	14,653,842
2024			
As at 1 April 2023	14,653,832	10	14,653,842
Deficit for the year	(755,330)	-	(755,330)
Actuarial deficit on defined benefit pension plan for the year	(137,000)	-	(137,000)
Movement in share capital	-	-	-
As at 31 March 2024	13,761,502	10	13,761,512

The notes on pages 18 to 37 form an integral part of these financial statements.


Gravesend Churches Housing Association Limited

**Statement of Financial Position
as at 31 March 2024**


	Notes	2024		2023	
		£	£	£	£
Property, plant and equipment					
Housing properties	10		31,768,385		32,597,001
Other property, plant and equipment	11		514,743		553,515
			32,283,128		33,150,516
Investments					
Investment properties	12		9,126,538		9,126,538
			41,409,666		42,277,054
Current assets					
Debtors	13	188,288		201,500	
Cash and cash equivalents		688,986		894,111	
		877,274		1,095,611	
Creditors: amounts falling due within one year					
Net current (liabilities)	14	(6,270,102)	(5,392,828)	(2,027,449)	(931,838)
Total assets less current liabilities			36,016,838		41,345,216
Creditors: amounts falling due after more than one year	15		(21,846,326)		(26,330,374)
Provisions	17		(409,000)		(361,000)
			13,761,512		14,653,842
Capital and reserves					
Called up share capital	18		10		10
Revenue reserve			13,761,502		14,653,832
			13,761,512		14,653,842

The financial statements were approved by the Board and authorised for issue on 13th September 2024.


On behalf of the Board


Marie Li Mow Ching (Sep 13, 2024 11:19 GMT+1)

Marie Li Mow Ching
Chair


CC Starke (Sep 13, 2024 13:26 GMT+1)

Chris Starke
Board Member


Bukky McGlynn (Sep 13, 2024 13:36 GMT+1)

Omobkunla McGlynn
Chief Executive
and Company Secretary

The notes on pages 18 to 37 form an integral part of these financial statements.

Gravesend Churches Housing Association Limited

**Statement of Cash Flows
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
Net cash generated from operating activities	20	1,335,244	1,090,434
Cash flow from investing activities			
Interest received		8,742	581,619
Additions to housing properties		(528,024)	(1,212,256)
Additions to other property, plant and equipment		(10,158)	(3,096)
		<hr/>	<hr/>
Net cash used in investing activities		(529,440)	(633,733)
		<hr/>	<hr/>
Cash flow from financing activities			
Repayments of borrowings		(546,630)	(4,716,125)
Loans drawn down		500,000	3,500,000
Interest paid		(964,299)	(582,684)
Grant received		-	720,000
		<hr/>	<hr/>
Net cash (used in) from financing activities		(1,010,929)	(1,078,809)
		<hr/>	<hr/>
Net (decrease) in cash and cash equivalents		(205,125)	(622,108)
Cash and cash equivalents at beginning of the year		894,111	1,516,219
Cash and cash equivalents at end of year		<u>688,986</u>	<u>894,111</u>

The notes on pages 18 to 37 form an integral part of these financial statements.

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

1. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing.

The principal activity of the Association is the provision and management of social rented homes.

The registered office is 14 London Road, Northfleet, Kent DA11 9JQ.

2. Accounting policies

2.1. Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Association's accounting policies and in accordance with applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice 'Accounting by Registered Social Housing Providers (Update 2018)' and the 'Accounting Direction for private registered providers of social housing in England 2022.

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

The financial statements are presented in Sterling (£) except where specifically stated otherwise.

2.2. Going concern

The Association has net current liability of £5.39m. The Association regularly reviews the cash flow in its thirty year business plan, which shows it is able to service its debt facilities whilst complying with lenders covenants.

Long term business modelling has continued to be carried out during the year. We have modelled a base case scenario and applied various risk scenarios. These multi-faceted scenarios include assumptions such as increased inflation and lending costs, alongside reductions in rent inflation. Having applied lower and higher risk scenarios these did not highlight any threats to loan covenants or cashflow. We had previously modelled potential cash impacts due to the increase in cost of living on the organisation, the level of these impacts did not threaten the ongoing viability of the organisation, and performance to date does not provide any indications that these risks may materialise. In addition, we have renewed our £5m revolving credit facility from 3 July 2024 for 3 years. With existing cash reserves having also covered any potential impacts and the organisation is well protected, even before looking at the possibility of rescheduling capital and improvement works.

The Board has reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the accounts.

The Board therefore continues to adopt the going concern basis in preparing the financial statements.

2.3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions regarding the recorded values of assets and liabilities at the Statement of Financial Position date and the amounts reported for revenues and expenditure during the year.

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Judgements

- **Categorisation of housing properties as investment properties or property, plant and equipment**

Classes of properties within the category of housing properties that are held to earn commercial rentals or for capital appreciation or both are accounted for as investment properties. Properties rented to provide social housing and properties used for the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment.

- **Impairment of housing properties**

Impairment reviews are carried out where there has been a trigger event, including any known threats to the financial viability of the asset. Whether or not there is a trigger ("indicator of trigger") is a matter of judgement.

During 2023-24 we have identified an impairment charge of £700k to one of our development sites (Lower Range Road), due to a reduction in the sale value.

- **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.

- **Multi-employer pension obligation**

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation, salary growth and mortality rates. The Pensions Trust provided base assumptions which the Association can flex to reflect more accurately the particular circumstances of the organisation. In determining the appropriate discount rate, consideration is made of the interest rates of corporate bonds with at least an AA rating. Inflation is set by considering market expectations, salary growth is set by aligning with the Association's business plan and mortality rates have been adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. The value of the provision is highly sensitive to relatively small changes in assumptions. A provision of £409,000 is recorded in the Statement of Financial Position as at 31 March 2024 (2023: £361,000).

- **Property, plant and equipment**

In line with SORP 2018, component accounting policies are applied to the capitalisation and depreciation of assets. The individual components of each property are depreciated over their expected useful life. On new build developments, the value of components is assigned using land purchase costs and the contractor's detailed costing schedule. For off the shelf purchases, appropriate percentages are applied to each component using data from similar new build development schemes. The actual lives are assessed on an annual basis and may vary depending on a number of factors such as property life cycle and their component replacement programmes. As at 31 March 2024 the carrying value of property, plant and equipment was £32,283,128 (2023: £33,150,516).

2.4. Turnover

Turnover is measured at the fair value of the consideration received or receivable and principally represents rental and service charge income receivable in the year net of rent and service charge losses from voids together with amortised social housing grant and management fees from property management contracts with local charities.

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2.4. Turnover continued

Turnover is recognised as follows:

- **Rental and service charge income**

Income from rent and service charges is recognised in the period to which it relates net of any voids. Where there are new developments, income and any voids recognition starts from the practical completion date. Where sites are being redeveloped, income and any voids are recognised up until the contract start date.

- **Capital grants**

Capital grants received are initially deferred and then credited to turnover in the Statement of Comprehensive Income on a straight line basis over the expected life of the asset which they have funded.

- **Other grants and donations**

Grants and donations that relate to revenue are recognised in the Statement of Comprehensive Income in accordance with the period to which the grant relates. Where the grant requires future performance conditions to be met, the grant is not recognised until these have been satisfied. Any grant received before these conditions are met is held as a liability in the Statement of Financial Position.

- **Management fees**

Income from management fees is recognised in the period to which it relates.

2.5. Interest payable

Interest on loans specifically financing development is capitalised on a weighted average cost basis for the period from start of works up to the date of practical completion or acquisition of legal title, whichever is later. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was required.

2.6. Property, Plant and Equipment

Housing properties and depreciation

Housing properties are properties held for the provision of social housing and are recorded at cost less depreciation less any applicable impairment. The cost of the property is recorded as the initial cost of acquiring the land and buildings together with those costs that are directly attributable to acquisition and development, including any interest cost up to the date of completion.

Housing properties in the course of construction are stated at cost plus capitalised interest and are not depreciated until they are reclassified as housing properties on practical completion of construction.

Freehold and leasehold housing properties are depreciated by component on a straight line basis over the estimated lives of component categories, in accordance with the principles of component accounting in SORP 2018. Where a component is replaced before the end of its useful life, any remaining depreciation charges are accelerated into the year of disposal. Useful estimated lives for identified components are as follows:

Freehold land	- not depreciated
Structure	- remaining estimated life of the property not exceeding 100 years from date of construction
Short leasehold structure	- over life of lease or estimated useful life if less
Roofs	- 40 to 80 years
Windows	- 40 years
Electrical systems	- 40 years

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Housing properties and depreciation - Continued

Bathrooms	- 30 years
Doors	- 20 years
Lifts	- 20 years
Kitchens	- 20 years
Heating systems	- 15 years

2.7. Works to existing housing properties

Expenditure on existing housing properties is capitalised when this represents a component replacement or when a new component is created. All other expenditure in respect of general repairs to the housing stock is charged to the Statement of Comprehensive Income as it is incurred. The cost of replacing a part of an item of property plant and equipment is also capitalised if the replacement is expected to provide incremental future benefits to the Association. The carrying amounts of the replaced parts is derecognised.

2.8. Impairment of housing properties

Housing properties are assessed at each Statement of Financial Position date to determine if there are any indicators of impairment. If there are such indicators of impairment, then an exercise is undertaken to compare the properties' carrying value to their recoverable amount. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately. For impairment purposes, properties are appraised on either an individual basis, or where they are part of a collective development such as a block of flats, on a scheme by scheme basis.

2.9. Investment property

Investment property is measured at cost on initial recognition, including purchase cost and any directly attributable expenditure, then at fair value at each Statement of Financial Position date. Fair value is calculated using a combination of local house price inflation indicators, local market sales data and valuations generated by external valuers.

2.10. Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis, and the asset lifetimes are as follows:

Freehold office land	- not depreciated
Freehold office structure	- 100 years
Freehold office roof	- 80 years
Freehold office windows	- 40 years
Freehold office electrical systems	- 40 years
Freehold office bathrooms	- 30 years
Freehold office doors	- 20 years
Freehold office kitchens	- 20 years
Freehold office heating systems	- 15 years
Plant and equipment	- 5 to 10 years
IT hardware	- 4 years
IT software	- 4 years

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2.11. Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in turnover over the estimated useful life of the housing property structure, under the accrual model.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current liabilities.

2.12. Leases

Leases are classified as finance leases where the terms of the leases transfer substantially all the risks and the rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

Assets held under finance leases are measured initially at the fair value of the leased asset and the corresponding lease liability. Assets held under finance leases are included in property, plant and equipment and depreciated in the same way as owned assets.

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

The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Any incentives offered in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.13. Pensions

The Association participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit (career average revalued earnings) contributory pension scheme administered independently.

In the Statement of Financial Position, the assets of the scheme are measured at fair value and the liabilities are measured on an actuarial basis, discounted at a rate equivalent to yields on "high quality" corporate bonds of appropriate duration and currency, or a suitable proxy. The resulting net asset or liability is then presented separately on the face of the Statement of Financial Position as a provision. Current service costs and net financial returns are included in the Statement of Comprehensive Income in the period to which they relate. Any actuarial gains or losses for the year are taken to the Statement of Comprehensive Income as other comprehensive income.

2.14. Provision for liabilities

The Association recognises a provision where a past event has given rise to a present obligation and where a reliable estimate can be made of the value of the provision.

The recorded amount of the liability is the best estimate of the sum required to settle the present obligation at the date of the Statement of Financial Position.

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2.15. Cash and cash equivalents

This includes all forms of cash and includes cash in hand, deposits repayable on demand, overdraft repayable on demand and short term held with various banks, which can be withdrawn without disrupting the business and are readily convertible to a known amount of cash at the year end at or close to the carrying values. These cash balances are used in our cash flow statements and future cash projections.

2.16. Financial instruments

Financial assets and liabilities comprise investments, trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loan balances.

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

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

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

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

Other financial instruments and investments in equity instruments are recognised at fair value with any gains or losses being reported in surplus or deficit.

Financial assets are only derecognised when and only when:

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

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

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Association will not be able to collect all amounts due.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. Where the debt is not at a market rate, initial measurement will be the present value of cash flows, discounted at a market rate for a similar debt instrument, net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

2.17. Property managed by agents

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

2.18. VAT

The Association is not registered for VAT and VAT billed to the organisation is accounted for as a cost to the organisation within the respective expenditure heading.

3. Social Housing Income and Expenditure

	2024	2023
	£	£
Rents receivable net of rent loss from voids	3,463,682	3,252,775
Service charge income	255,096	236,452
Revenue, capital grants, contract, and other income	169,955	166,955
	3,888,733	3,656,182
Social housing activities expenditure	(3,303,569)	(3,272,964)
	585,164	383,218
Operating surplus from social housing activities		
Rent losses from voids	23,540	38,121

4. Operating surplus

	2024	2023
	£	£
The operating surplus is stated after charging:		
Depreciation and other amounts written off		
Property, plant and equipment	705,570	634,708
Auditors' remuneration:		
For audit services- current year (net of VAT)	39,638	37,515
For audit services- additional cost for prior year	-	27,320
Operating lease rentals		
Office equipment	2,309	3,752
Vehicle lease	6,142	6,383
Premises	1,200	1,200

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

5. Interest receivable and similar income

	2024	2023
	£	£
Bank Interest	8,742	6,130
Exceptional gain on early redemption of bank loan	-	575,489
	8,742	581,619
	8,742	581,619

6. Interest payable and financing costs

	2024	2023
	£	£
Included in this category is the following:		
Interest on loans repayable	987,595	605,983
Remeasurement of loan balance	(23,296)	(23,296)
Defined benefit pension – net interest expense	15,000	8,000
	979,299	590,687
Interest payable capitalised on housing properties under Construction	-	(77,489)
	979,299	513,198
	979,299	513,198
Capitalisation rate used to determine the finance costs capitalised during the period	-	3.98%

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

7. Employee information

Number of employees	2024 No.	2023 No.
The average number of persons employed during the year expressed in full time equivalent (including the Chief Executive) was:		
Staff	<u>14</u>	<u>14</u>
Employment costs	2024 £	2023 £
Wages and salaries	606,329	574,019
Social security costs	61,285	60,713
Other pension costs	<u>71,628</u>	<u>64,539</u>
	<u>739,242</u>	<u>699,271</u>
Higher paid staff (including key management personnel)	2024	2023
Staff members paid between £60,000 and £80,000	2	2
Staff members paid between £90,000 and £100,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

8. Senior management team emoluments

The remuneration paid to the senior management team of the Association was:	2024 £	2023 £
Emoluments	247,449	237,204
Pension contributions	<u>29,484</u>	<u>27,380</u>
	<u>276,933</u>	<u>264,584</u>
The emoluments paid to the highest paid member of the senior management team:	2024 £	2023 £
*Chief Executive	<u>92,983</u>	<u>88,800</u>

The Chief Executive is an ordinary member of the defined benefit scheme and there are no enhanced or special terms. There are no additional pension arrangements. The aggregate contribution made by GCHA was £11,088 (2023: £10,560) in addition to the personal contributions of the Chief Executive.

A total of £29,394 (2023: £27,584) remuneration was paid to Board members during the year.

Expenses totalling £510 (2023: £2,101) were reimbursed to board members during the year.

9. Taxation

No taxation is payable by the Association since it has charitable status and its charitable activities are exempt from tax.

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

10. Housing properties

	Housing properties held for letting	Housing properties under construction	Total
	£	£	£
Cost			
At 1 April 2023	40,019,445	1,261,834	41,281,279
Additions:			
Capital additions	405,787	122,237	528,024
Transfers	62,880	(62,880)	-
Disposal of replaced components	(63,595)	(43,094)	(106,689)
At 31 March 2024	40,424,517	1,278,097	41,702,614
Depreciation and impairment			
At 1 April 2023	8,684,278	-	8,684,278
Charge for year (including accelerated depreciation on replaced components)	613,546	43,094	656,640
Impairment	-	700,000	700,000
On disposal of replaced components	(63,595)	(43,094)	(106,689)
At 31 March 2024	9,234,229	700,000	9,934,229
Net book value			
At 31 March 2024	31,190,287	578,098	31,768,385
At 31 March 2023	31,335,166	1,261,834	32,597,000
Tenure status	2024	2023	
Freehold	31,405,734	32,231,749	
Short leasehold	308,246	299,832	
Long leasehold	54,405	65,420	
Total	31,768,385	32,597,001	

Works to existing properties

The cost of building components replacements within the year amounted to £405,787 (2023: £177,534).
The value of planned improvement works to existing properties, expensed to the Statement of Comprehensive Income, amounted to Nil (2023: £2,551)

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

11. Other property, plant and equipment

	Freehold office	Plant and equipment	IT Hardware / Software	Total
	£	£	£	£
Cost				
At 1 April 2023	489,119	104,194	306,316	899,629
Additions	-	-	10,158	10,158
Disposals	-	-	(6,770)	(6,770)
At 31 March 2024	489,119	104,194	309,704	903,017
Depreciation				
At 1 April 2023	59,054	79,593	207,467	346,114
Charge for the year	10,145	8,060	30,725	48,930
Disposals	-	-	(6,770)	(6,770)
At 31 March 2024	69,200	87,653	231,422	388,274
Net book value				
At 31 March 2024	419,919	16,541	78,282	514,742
At 31 March 2023	430,065	24,601	98,849	553,515

12. Investment properties

	Housing properties £	Office building £	Total £
Value			
At 1 April 2023	8,751,538	375,000	9,126,538
Fair value movement	-	-	-
At 31 March 2024	<u>8,751,538</u>	<u>375,000</u>	<u>9,126,538</u>
Historic cost	<u>6,937,607</u>	<u>268,309</u>	<u>7,205,916</u>

An assessment of our investment properties was carried out using values from the rightmoveplus.com website, on review, the properties had not moved significantly, so they have been kept at 31 March 2022 values.

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

13. Debtors

	2024	2023
	£	£
Rental debtors	102,080	127,820
Other debtors	65,532	61,240
Prepayments and accrued income	20,676	12,440
	188,288	201,500

Rental debtors are stated after providing a bad debt provision of £79,463 (2023: £85,123).

14. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditor	5,823	120,937
Rent in advance	164,969	127,504
Other taxes and social security costs	17,240	18,536
Other creditors	74,561	104,839
Accruals and deferred income	524,923	440,510
Housing loans (note 15, 27)	4,864,632	597,168
Government grants – deferred capital grant	169,955	169,955
Grant received in advance	448,000	448,000
	6,270,103	2,027,449

15. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Housing loans	10,839,371	15,153,464
Government grants – deferred capital grant	11,006,955	11,176,910
	21,846,326	26,330,374

Loans

Repayable in one year or less (note 14)	4,864,632	597,168
Repayable between one and two years	608,444	4,291,212
Repayable between two and five years	1,825,520	1,833,772
Repayable in five years or more	8,405,407	9,028,479
	15,704,003	15,750,631

The nominal value of loans as at 31 March 2024 was £15,527,200 (2023: £15,711,219). Actual interest rates on borrowings vary between 3.35% and 10.63%.

Housing loans

Housing loans from private and public sources are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments partly due in five years or more.

Gravesend Churches Housing Association Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

16. Social Housing Grant

Social Housing Grant	£
At 1 April 2023	16,370,369
At 31 March 2024	<u>16,370,369</u>
Amortised Social Housing Grant	
At 1 April 2023	(4,575,505)
Amortisation charge for the year	(169,955)
As 31 March 2024	<u>(4,745,459)</u>
Net Book Value	
At 31 March 2024	<u>11,624,910</u>
At 31 March 2023	<u>11,794,864</u>

The above balance of social housing grant includes grant received in advance amounted to £448,000(2023: £448,000).

17. Pension arrangements

The Association operates defined benefit scheme.

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

Statement of Financial Position	2024	2023
	£	£
Fair value of Plan assets	1,794,000	1,861,000
Present value of funded retirement benefit obligations	(2,203,000)	(2,222,000)
	<hr/>	<hr/>
Deficit in Plan	(409,000)	(361,000)
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of movements on the fair value of plan assets	2024	2023
	£	£
Fair value of the Plan assets at the start of the period	1,861,000	3,006,000
Interest income	91,000	84,000
Experience loss on Plan assets	(208,000)	(1,265,000)
Contributions by the employer	109,000	102,000
Contributions by members	-	-
Benefits paid and expenses	(59,000)	(66,000)
	<hr/>	<hr/>
Fair value of Plan assets at the end of the period	1,794,000	1,861,000
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of movements on the defined benefit obligation	2024	2023
	£	£
Defined benefit obligation at the start of the period	(2,222,000)	(3,359,000)
Expenses	(5,000)	(5,000)
Interest cost	(106,000)	(92,000)
Actuarial gains due to scheme experience	13,000	54,000
Actuarial gains due to changes in demographic assumptions	25,000	5,000
Actuarial gains due to changes in financial assumptions	33,000	1,109,000
Benefits paid and expenses	59,000	66,000
	<hr/>	<hr/>
Defined benefit obligation at the end of the period	(2,203,000)	(2,222,000)
	<hr/> <hr/>	<hr/> <hr/>

Amounts recognised in the Statement of Comprehensive Income	2024	2023
	£	£
Expenses paid	5,000	5,000
Net interest on defined benefit liability	15,000	8,000
	<hr/>	<hr/>
Total expenses	20,000	13,000
	<hr/> <hr/>	<hr/> <hr/>

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

Amounts recognised in Other Comprehensive Income

	2024	2023
	£	£
Experience gain arising on the Plan assets	(208,000)	(1,265,000)
Experience gain arising on the Plan liabilities gain	13,000	54,000
Effects of changes in the demographic assumptions underlying the present value of the Plan liabilities –gain	25,000	5,000
Effects of changes in assumptions underlying the present value of the Plan liabilities – gain	33,000	1,109,000
	(137,000)	(97,000)
Actuarial loss recognised	(137,000)	(97,000)

Principal actuarial assumptions at the financial position date:

	2024	2023
Discount rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.79%
Salary growth	3.79%	3.79%
Allowance of commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (years)		Life expectancy at age 65 (years)
Male retiring in 2024	20.5	in 2023	21.0
Female retiring in 2024	23.0	in 2023	23.4
Male retiring in 2044	21.8	in 2043	22.2
Female retiring in 2044	24.4	in 2043	24.9

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

Categories of plan assets are as follows:	2024	2023
	£'000s	£'000s
Absolute Return	70	20
Alternative Risk Premia	57	3
Corporate Bond Fund	-	-
Credit Relative Value	59	70
Distressed Opportunities	63	56
Emerging Markets Debt	23	10
Cash	35	13
Global Equity	179	35
High Yield	-	7
Infrastructure	181	213
Insurance-Linked Securities	9	47
Liability Driven Investment	731	857
Liquid Credit	-	-
Long Lease Property	12	56
Net Current Assets	3	5
Opportunistic Credit	-	-
Opportunistic Illiquid Credit	70	80
Private Equity	1	-
Private Debt	71	83
Property	72	80
Risk Sharing	105	137
Currency Hedging	(1)	4
Secured Income	54	85
Total Assets	<u>1,794</u>	<u>1,861</u>

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

18. Share capital – non equity

The shares have a denomination of £1 and limited rights. They carry no entitlement to dividend, they are not repayable and do not participate in a winding up. They carry an entitlement to vote at the Association’s annual general meeting and special general meetings.

Called up share capital

	Number	£
Issued and fully paid – ordinary shares of £1 each		
At 1 April 2023	10	10
Issued during the year	2	-
Cancelled during the year	<u>(2)</u>	<u>-</u>
At 31 March 2024	<u>10</u>	<u>10</u>

19. Capital commitments

Details of capital commitments at the accounting date are as follows:

	2024 £	2023 £
Authorised and contracted for	-	-
Authorised but not contracted for	<u>-</u>	<u>3,694,976</u>
	<u>-</u>	<u>3,694,976</u>

20. Notes to the Statement of Cash Flows

	2024 £	2023 £
Operating surplus	215,227	691,704
Depreciation	705,570	634,708
Amortised government grants	(169,955)	(166,955)
Pension adjustment	(104,000)	(97,000)
Decrease in debtors	13,213	(43,268)
Increase in creditors	(24,811)	71,245
Impairment – housing properties	700,000	-
	<u>1,335,244</u>	<u>1,090,434</u>
Net cash generated from operating activities	<u>1,335,244</u>	<u>1,090,434</u>

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

21. Net debt reconciliation

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash and cash equivalents				
Cash	884,111	(205,125)	-	678,986
Cash equivalents	10,000	-	-	10,000
	<u>894,111</u>	<u>(205,125)</u>	<u>-</u>	<u>688,986</u>
Borrowings				
Debt due within one year	(597,167)	546,629	(4,814,095)	(4,864,633)
Debt due after one year	<u>(15,153,464)</u>	<u>(500,000)</u>	4,814,095	<u>(10,839,369)</u>
	<u>(15,750,631)</u>	46,629	-	<u>(15,704,002)</u>
	<u>(14,856,520)</u>	<u>(158,495)</u>	<u>-</u>	<u>(15,015,016)</u>

22. Accommodation managed by agents

The Association owns property managed by other bodies, as follows:

	2024	2023
Clarion Housing Association Ltd	17	17
KASBAH	15	15

23. Housing Units owned and managed

Housing Units owned

	Social Housing				Market Housing	Supported	Total
	Fair	Social	Affordable	Discounted			
At 1 April 2023	22	417	104	3	37	32	615
Additions	-	-	-	-	-	-	-
Changes in tenancy	(2)	2	-	-	-	-	-
At 31 March 2024	20	419	104	3	37	32	615

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
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Housing units managed

At 1 April 2023	13
At 31 March 2024	-

24. Operating lease commitments

Operating leases have been taken out for our office vehicles, workshop, and photocopier.

Total commitment under non cancellable operating leases which expire:

	2024		
	£		
	Vehicles	Buildings	Total
Within one year	911	2,400	3,311
One to two years	-	800	800
Two to five years	-	-	-
Total	911	3,200	4,111

	2023		
	£		
	Vehicles	Buildings	Total
Within one year	2,733	2,400	5,133
One to two years	911	2,400	3,311
Two to five years	-	800	800
Total	3,644	5,600	9,244

25. Amounts Receivable under Operating Lease

This relates to the letting out of our commercial building as an office.

Future minimum lease payments due under non cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than one year	31,250	31,250
One to five years	49,479	80,729
Total	80,729	111,979

The office lease had an option to break on 31 October 2020. The lease ends on 31 October 2026.

Gravesend Churches Housing Association Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

26. Related party transactions

At the date of these financial statements there are no related party transactions that require disclosure, except for the key management personnel remuneration as disclosed in note 8.

27. Post year-end events

On 3 July 2024, the association entered into an amendment & restatement agreement with one of the housing loan provider to extend the credit facility for a period of 3 years. The related housing loans amounted to £4.25m at the repayment date and was classified as repayable in one year or less.