

**NORTH BELFAST HOUSING ASSOCIATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**



**Toner Mc Dowell**

The Mount  
2 Woodstock Link  
Belfast  
BT6 8DD

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **COMMITTEE OF MANAGEMENT**

Mr John Simpson (Chair)  
Mr Tom Mervyn (Vice Chairman)  
Mrs Ursula Mayers (Secretary)  
Ms Jane Shaw (Treasurer)  
Mr Bill Patterson  
Ms Janine Fullerton

Mr Seamus Boyd (Resigned 12th September 2019)  
Mr William Chambré  
Mrs Sheila McClelland (Resigned 14th May 2019)  
Mrs Sheila Davidson  
Mr Brian Reid (Appointed 17<sup>th</sup> February 2020)  
Mr Ian Graham (Resigned 20th April 2020)

## **REGISTERED OFFICE**

Gatelodge  
8 Flax Street  
Belfast  
BT14 7EQ

Registered under the Industrial and Provident Societies  
Act (Northern Ireland) 1969 No IP 406

Inland Revenue Charity No. NO00274

Charity Commission for Northern Ireland No. NIC100038

## **AUDITOR**

Toner Mc Dowell  
The Mount  
2 Woodstock Link  
Belfast  
BT6 8DD

## **BANKERS**

First Trust	Danske Bank	Ulster Bank
35 University Rd	Donegall Square West	Donegall Square East
Belfast	Belfast	Belfast
BT7 1ND	BT1 6JS	BT1 5UB

## **SOLICITORS**

Edwards & Co  
28 Hill Street  
Belfast  
BT1 2LA

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# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

The committee present their report together with the financial statements for the year ended 31 March 2020.

### **PRINCIPAL ACTIVITIES**

North Belfast Housing Association (NB Housing) is a registered non-profit making housing association providing general needs accommodation, purpose built accommodation for the elderly and supported housing solutions for those in need, including those with addictions, family issues and young homeless people.

The Association is governed by a 10 member voluntary Board of Management. The Board set the strategic objectives for the association and receive regular reports on the association's progress and performance.

NB Housing was registered as a charity on the 18<sup>th</sup> March 2014 with the Charity Commission for Northern Ireland, registration No. NIC 100038. The objects of the association shall be to carry on for the benefit of the community:

A2.1 The business of providing housing, accommodation, assistance to help house people and associated facilities and amenities for the prevention or relief of poverty or those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

A2.2 Any other charitable object that can be carried out by an industrial and provident society registered as a housing association by the Department.

As a registered charity, NB Housing is legally required to comply with the reporting requirements set out in the Charities Act and to prepare accounts in accordance with legal guidance set out in law.

NB Housing is regulated by the Department for Communities. NB Housing supports the Seven Principles of Public Life.

### **Strategic Imperatives**

Our vision and mission detailed in our Strategic Plan is

#### **Vision Statement**

“To lead physical, social and economic regeneration through outstanding social housing”.

#### **Mission Statement**

“NB Housing provides affordable rents and homes that build vibrant neighbourhoods and communities.”

Supporting our Vision and Mission we have established a set of Values to influence and inform how we work together and provide a high quality service as a landlord.

**Leadership** – We will demonstrate our leadership through the excellence of our housing and services, and the professionalism of our team.

**Aspiration** – We encourage the aspirations of our employees in their own personal and professional development. In the same manner we encourage communities to aspire to better standards of housing and regeneration.

**Personal** – We build homes not houses. We will consider the needs of families, individuals, and the community and will consider them before anything else in our developments.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

**Esteem** - We value more than the physical regeneration of housing stock, but the restoration of esteem that people have for themselves, for their home, and for their community.

**Community/Togetherness** – We will listen to and respect each other working together to achieve and a vibrant and prosperous community. We will act collectively as one team to support one another, working co-operatively, respecting one another's views, and making our work environment enjoyable.

**Integrity** – We will be accountable and transparent to our customers, respectful of our tenants, and proud of our service delivery.

### **BUSINESS PERFORMANCE**

The Association has just completed the second year of the latest three year Strategic Plan 2018-2021. The plan recorded the key objectives set by the Board to improve the business performance across all areas of operation within the Association.

The strategic plan is divided into three business aims:

*To be a good business*

*To provide a good service to our tenants and community*

*To build for the future*

Each business aim is supported by a number of business objectives. These objectives are further supported by a number of business action detailed in our Annual Business Plan 2019-2020.

The Annual Business plan contained a total of 103 business tasks, of which 94 were fully achieved, 5 partially achieved and 4 not achieved.

### **Tenant Views**

All tenants were issued with the annual tenant satisfaction survey in February 2020. A total of 138 returns were received representing a return rate of 14%. NB Housing's latest annual tenant satisfaction survey results showed percentage of tenants satisfied with our service:

1. NB Housing Overall Service	93%
2. Rent represents good value	90%
3. Accommodation	84%
4. Area /Location	88%
5. Quality of repair work	89%

### **Staff Development**

NB Housing was accredited Investors in People status in 2015/16, and continues to focus on leading staff to achieve their potential and contribution to the success of the Association. This effort was further acknowledged by receiving the Investors in People Gold Award in 2019.

The Corporate Services team have created an employee focus group who meet regularly throughout the year to review processes and engagement.

The Association invested £11,240 on staff development and training, an investment of 882 training hours with 44 training sessions.



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **Board of Management**

Our Board of Management at the 31<sup>st</sup> March 2020 was made up of 10 voluntary members, of which 6 were male and 4 female.

### **Value for Money**

NB Housing is committed to providing a high quality affordable service. We appreciate the need to monitor the cost of our service against other providers and ensure that our product is priced at a level that will encourage demand.

### **Return on social investment**

NB Housing realises the contribution it can make when delivering its service and the social advantages this can provide. During the year we have:

- Held tenant meetings
- Completed tenant led property inspections
- Provided tenants access to the internet
- Assisted tenants and other partners complete community clean ups
- Held a number of welfare reform information events
- Provided one to one tenant welfare advice
- Completed a number of intergenerational events
- Staff fundraised £1,004 for our nominated charity Northern Ireland Chest Heart and Stroke.
- Received £3,906 funding from the National Lottery to help purchase material to entertain our elderly residents.
- Held numerous information and events for residents in our sheltered accommodation.
- Donated to a local community association to help fund emergency supplies and food parcels during Covid-19 pandemic.
- Prepared emergency provisions packs for residents in our supported housing schemes who had to self-isolate.

### **Risk Management**

It is acknowledged in providing our service there are challenges and risks associated, despite rigorous standards of accountability and corporate governance. Our aim therefore is to manage risks better and to ensure effective risk management is integral in the way we think and conduct our business.

Our Risk Management Strategy articulates how we manage risk and is reviewed quarterly. The Strategy takes into account the principles and concepts contained within the revised Orange Book published by HM Treasury in 2004.

A register of risk is maintained and regularly reviewed throughout the year. The risk register includes potential risks from the list below:

- Governance standards
- Introduction of Welfare Reform
- NI Assembly
- Brexit
- Reclassification

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

- Potential pressure on association's ability to raise revenue
- Pressure on capital programmes
- Changes to procurement and contract requirements
- Loss of reputation
- Poor control environment
- Restricted ability to raise private finance

In the last month of the year NB Housing had to amend the risk register and implement the association's contingency plan to deal with the spread of COVID-19. Actions involved closing head office to the public and then introducing working from home for all employees. Essential workers in supported housing remained on site with social distancing measures introduced. The service provided by the association was reduced to completing emergency repairs and repairs relating to the health and safety of residents.

### **RESULTS**

The surplus for the year before transfers to designated reserves was £1,247,643.

The Association during the financial year ending March 2020 completed the purchase of 9 existing satisfactory properties, acquired 4 off the shelf new build schemes consisting 24 units and took possession of 18 new build properties. We had 6 house sales to sitting tenants bringing the net addition of units added to 45. The Association continues to assess its property investment strategy to react to identified need within its expanded area of operation.

Continuing investment in its existing property portfolio has been identified through a commissioned stock condition survey with planned and costed programmes for works. A total investment of £2.1m was made during the year on repairs and planned works to ensure our properties met modern standards.

### **GOING CONCERN**

After making enquiries, the Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

### **IMPACT OF COVID-19**

The UK government announced the UK lockdown on March 23<sup>rd</sup> banning all non-essential travel and contact with people outside their own home, shutting schools, businesses, amenities and places of worship. NB Housing initiated the business continuity plan and sent all office staff home and set up working from home measures. Staff located in two supported housing offices remained on site and social distancing measures introduced to safeguard staff and residents alike.

Development activity on our two live new build schemes ceased and closed up. All non-emergency maintenance was suspended and only maintenance that had an impact on health and safety were completed after a risk assessment of residents was in place.

The financial impact of Covid-19 remains largely unknown and little impact is evident in these financial statements, mainly due to the short period of the pandemic at the end of March 2020. The association did not experience a fall in revenue income, void loss did not increase, and costs reduced slightly due to the withdrawal of development and maintenance activity. The Association did not furlough any of its workforce and all employees remained on the same terms and conditions.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

Future budget profiles will be reviewed to account for the impact of Covid-19 and further stress tests applied

### **MEMBERS OF THE COMMITTEE OF MANAGEMENT**

The members of the Committee of Management are listed on page 1. Each member of the Committee holds a fully paid share of £1 in the Association and no financial benefit is derived from such membership. Executive Officers of the Association hold no interest in the Association's share capital and although not holding the legal status of directors they act as executives within the authority delegated by the Committee.

### **EQUALITY POLICY**

The Association is committed to equality of opportunity in all its activities and has endorsed policies to that effect.

### **CORPORATE GOVERNANCE**

In the opinion of the Committee of Management, the Association is in full compliance with the Code of Best Practice issued by the Cadbury Committee.

### **FUTURE PLANS**

NB Housing have developed a robust business planning process that focuses on our ambitions to provide a high quality service, while expanding our property portfolio and financial capability.

We have completed the second of our next three year Strategic Plan and the Board have approved the business objectives for the incoming year. The objectives support our mission, vision and values and concentrates all departments on business efficiency and effectiveness.

### **REGULATION**

The Association's principal regulator is the Department for Communities. In its second arms length departmental inspection by DfC under the new regulatory framework, the association received a score of Level One.

*Where following submission of the Regulatory Standard Annual Return (RSAR) and Required Financial information, we are content there is sufficient assurance and little additional contact is required unless other matters arise.*

### **LIQUIDITY RISK**

The Association maintains a mixture of long-term and short-term loan finance to ensure development and operational objectives are facilitated. A managed cashflow predicts need and also ensures that the Association operates within its banking covenant commitments.

The Association arranged a rolling private finance facility during the year which will ensure access to private finance during future years to fund development activity. Working capital and cashflow management is strictly controlled with moneys drawn from the existing financing facility, taken when required.



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **COMMITTEE OF MANAGEMENT**

The Committee of Management meets regularly throughout the year with specific responsibilities for housing management, development and property management, finance, audit, risk and human resources.

The Committee of Management has delegated authority to the following subcommittee:

- Housing
- Development and Property Management
- Audit, Risk & Human Resources
- Finance

Each subcommittee operates within defined Terms of Reference. Subcommittee meetings are held each quarter and receive performance reports and take necessary decisions within the delegated authority of the main Committee of Management.

### **FINANCE COMMITTEE**

The Association has a Finance Committee, which meets quarterly during the year. The Finance Committee monitors financial reporting and accounting policies, along with the adequacy of the Association's internal finance control and provides a forum through which the Association's external auditors report to the Committee of Management.

Operationally, budgets are developed and reviewed prior to financial year commencement and are monitored by the Finance Committee quarterly. These are measured against actual performance with the budget review process taking place quarterly to account for any material fluctuation from plan.

Short and medium term cashflows are completed to ensure the Association has sufficiency in working capital to carry forward its operational and development commitments. Forecasting is used to project long term to assess the impact of future stock investment strategy.

The Committee of Management is responsible for the Association's systems of internal financial control and along with senior management is responsible for establishing and operating detailed control and reporting procedures. The system of internal financial control can provide only reasonable, but not absolute, assurance against material misstatement and loss.

The Committee has reviewed the effectiveness of the Association's system of internal financial control for the year and reviews are ongoing. This included a detailed review of the business risks facing the Association and of the existing internal financial control procedures.

### **INTERNAL FINANCIAL CONTROL**

The key elements of the control system operation are:-

- The Committee maintains responsibility for overall strategy, approval and all property transactions and other major capital expenditure projects.
- There is an organisation structure with clearly defined lines of responsibility and delegation of authority.

Detailed budgets are prepared covering the Association's business, which are reviewed and approved by the Committee.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **INTERNAL FINANCIAL CONTROL**

The key elements of the control system operation are:-

- The Committee maintains responsibility for overall strategy, approval and all property transactions and other major capital expenditure projects.
- There is an organisation structure with clearly defined lines of responsibility and delegation of authority.
- Detailed budgets are prepared covering the Association's business, which are reviewed and approved by the Committee. Actual results are compared against budget and appropriate action identified and initiated.
- The Audit, Risk & Human Resources Committee review matters relating to internal control and receives reports from the DfC monitoring visits, external auditors, internal auditors and from senior management on a regular basis to enable it to make an assessment of the effectiveness of the Association's internal control system.

### **COMPLIANCE WITH CODE OF BEST PRACTICE**

The auditors have confirmed that in their opinion, with respect to the Committee's statements on internal financial control and going concern above, the members have provided the disclosures required by the Code and such statements are not inconsistent with the information of which they are aware from their audit work on the financial statements, and that the Committee's statement below appropriately reflects the company's compliance with the other paragraphs of the Code. They have carried out their review in accordance with the relevant Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of either the Association's system of internal financial control or corporate governance procedures, or on the ability of the Association to continue in operational existence.

The law requires the Committee of Management to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Association as at the end of each financial year and of the surplus or deficit for that period. In preparing those financial statements, the Committee is required to select appropriate accounting policies and to apply them consistently, making judgements and estimates that are reasonable and prudent. They should 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 not continue in business.

The Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the requirements of Industrial and Provident Societies Acts (Northern Ireland) 1969 to 2006, the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993, the Statement of Recommended Practice for registered social housing providers 2014 (Housing SORP) and the Financial Reporting Standard (102) applicable in the UK and Republic of Ireland (FRS 102). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.



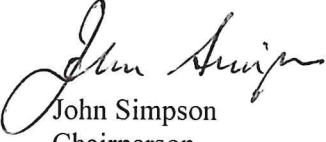
# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **AUDITORS**

A resolution to reappoint Toner McDowell will be proposed at the annual general meeting.

On behalf of the committee

A handwritten signature in black ink, appearing to read 'John Simpson', written in a cursive style.

John Simpson  
Chairperson

Belfast:

9 July 2020

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

### **YEAR ENDED 31 MARCH 2020**

#### **Opinion**

In our opinion, North Belfast Housing Association Limited's financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2020 and of the association's surplus, and of the association's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) ';
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

We have audited the financial statements, included within the Annual Statement of Accounts (the "Annual Report"), which comprise: the association's Statement of Income – Income & Expenditure Account; the association's Statement of Comprehensive Income and Retained Earnings; the association's Statement of Financial Position as at 31st March 2020; the association's Statement of Cashflows for the year ended 31st March 2020; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Going Concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Reporting on other Information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

### **YEAR ENDED 31 MARCH 2020**

#### **Reporting on other Information (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

#### **Responsibilities for the Financial Statements and the Audit**

##### *Board Responsibility for the Financial Statements*

As explained more fully in the Statement of Board's Responsibilities set out on page 8, the board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

##### *Auditors' Responsibility 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 auditors' 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.

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

#### **Use of this Report**

This report, including the opinions, has been prepared for and only for the private registered provider's members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED 31 MARCH 2020**

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 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 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.



**M P Toner (Senior Statutory Auditor)**  
For and on behalf of  
**TONER MC DOWELL**  
Chartered Accountants  
& Registered Auditors

2 Woodstock Link  
Belfast  
BT6 8DD

9 July 2020



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME (SoCI) - INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	2	6,863,886	6,382,072
Operating costs	2	(5,086,300)	(4,550,582)
		<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	2	1,777,586	1,831,490
Interest receivable	5	6,497	3,696
Interest payable	6	(330,210)	(291,267)
Other income		-	-
Other finance (costs)/income	20	(219,000)	(109,000)
		<hr/>	<hr/>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	1,234,873	1,434,919
Tax on surplus on ordinary activities	8	-	-
		<hr/>	<hr/>
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,234,873	1,434,919
Transfer (to)/from tenants' services fund		8,924	21,098
Transfer (to)/from support reserve	18	3,846	-
		<hr/>	<hr/>
<b>SURPLUS FOR THE YEAR/PERIOD</b>		<u>1,247,643</u>	<u>1,456,017</u>



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

### **YEAR ENDED 31 MARCH 2020**

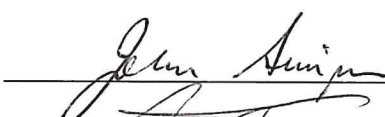


	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Revenue reserves</b>			
Opening reserves		18,676,842	17,134,825
Surplus for the year		1,247,643	1,456,017
Actuarial gain/(loss) on pension scheme	20	(264,000)	86,000
		<hr/>	<hr/>
Closing reserves		19,660,485	18,676,842
		<hr/>	<hr/>
<b>Restricted reserves</b>			
Opening reserves		13,713	13,713
Surplus/(deficit) for the year	18	-	-
		<hr/>	<hr/>
Closing reserves		13,713	13,713
		<hr/>	<hr/>
<b>Share capital</b>			
Opening share capital		15	14
Change in share capital	15	(2)	1
		<hr/>	<hr/>
Closing share capital		13	15
		<hr/>	<hr/>
<b>Total Equity</b>		<b>19,674,211</b>	<b>18,690,570</b>
		<hr/> <hr/>	<hr/> <hr/>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **STATEMENT OF FINANCIAL POSITION (SoFP) - BALANCE SHEET**

**AT 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Property net cost	9	75,970,218	71,528,225
Other fixed assets	11	935,396	932,720
Investments		250	250
		<hr/>	<hr/>
		76,905,864	72,461,195
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	12	690,734	917,508
Cash and bank balances		504,517	630,906
Investments		947,055	1,764,730
		<hr/>	<hr/>
		2,142,306	3,313,144
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	13	(3,424,880)	(3,359,459)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		(1,282,574)	(46,315)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		75,623,290	72,414,880
		<hr/>	<hr/>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
Deferred Grant	10	47,345,644	45,850,637
Long term liabilities	13	7,357,073	7,110,311
		<hr/>	<hr/>
		54,702,717	52,960,948
		<hr/>	<hr/>
<b>PROVISIONS</b>			
Pension fund liability	20	1,246,362	763,362
		<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>		19,674,211	18,690,570
		<hr/>	<hr/>
<b>FINANCED BY:</b>			
SHARE CAPITAL	15	13	15
REVENUE RESERVES	16	19,660,485	18,676,842
RESTRICTED RESERVES	18	13,713	13,713
		<hr/>	<hr/>
		19,674,211	18,690,570
		<hr/>	<hr/>

 - CHAIRMAN  
 - SECRETARY  
 - COMMITTEE MEMBER

Belfast:  
9 July 2020

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **CASHFLOW STATEMENT**

### **YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1	2,536,646	2,725,317
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2	(323,713)	(287,571)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2	(3,394,208)	(3,185,930)
		<hr/>	<hr/>
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		(1,181,275)	(748,184)
		<hr/>	<hr/>
FINANCING	2	237,211	1,669,580
		<hr/>	<hr/>
		(944,064)	921,396
		<hr/> <hr/>	<hr/> <hr/>

### **RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (Note 3)**

	£	£
Decrease in cash in year	(944,064)	
Cash outflow from decrease in debt	(237,213)	
	<hr/>	
Movement in net debt in the year		(1,181,277)
Net funds at 31 March 2019		(5,305,005)
		<hr/>
Net funds at 31 March 2020		(6,486,282)
		<hr/> <hr/>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO CASHFLOW STATEMENT**

### **YEAR ENDED 31 MARCH 2020**

#### **1. RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASHFLOWS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating surplus	1,777,586	1,831,490
Depreciation/Amortisation	540,733	383,127
Movements in:-		
Rental debtors	(75,906)	11,694
Other debtors	302,680	(210,459)
Creditors less than one year	(8,447)	709,465
	<u>2,536,646</u>	<u>2,725,317</u>

#### **2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>£</b>	<b>£</b>
<b>Returns on investment and servicing of financing</b>		
Interest received	6,497	3,696
Interest paid	(330,210)	(291,267)
Net cash inflow/(outflow) for returns on investment and servicing of finance	<u>(323,713)</u>	<u>(287,571)</u>
<b>Capital expenditure and financial investment</b>		
Purchasing of housing properties	(6,354,074)	(7,099,518)
Capital grants received	2,946,452	3,801,199
Other fixed assets	(49,543)	(3,497)
Net proceeds on disposal of houses	62,957	115,886
HAG in advance	-	-
Net cash outflow for capital expenditure and financial investment	<u>(3,394,208)</u>	<u>(3,185,930)</u>
<b>Financing</b>		
Loan principal repayments	(662,787)	(830,421)
Share capital issued/released	(2)	1
New loan	900,000	2,500,000
Net cash outflow from financing	<u>237,211</u>	<u>(1,669,580)</u>

#### **3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 01/04/19</b>	<b>Introduced Cashflows</b>	<b>Cashflows</b>	<b>At 31/03/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand, at bank	630,906	-	(126,389)	504,517
Investment	1,764,730	-	(817,675)	947,055
Debt due within one year	(706,216)	-	(53,408)	(759,624)
Debt due after one year	(6,994,425)	-	(183,805)	(7,178,230)
	<u>(5,305,005)</u>	<u>-</u>	<u>(1,181,277)</u>	<u>(6,486,282)</u>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **1. ACCOUNTING POLICIES**

- 1.1** The financial statements have been prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2014 (Housing SORP), the Financial Reporting Standard (102) applicable in the UK and Republic of Ireland (FRS 102) and the Industrial and Provident Societies Act (Northern Ireland) 1969 to 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**1.2 Turnover**

Turnover represents rental income, service charges receivable and development allowances.

**1.3 Fixed Assets and Depreciation**

Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office premises	: 2% p.a. straight line
Office furniture and equipment	: 20% p.a. reducing balance
Computer equipment	: 20% p.a. straight line

**1.4 Housing Properties**

Housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. All development costs directly attributable to bringing properties into management are identified and capitalised to schemes in construction during the year.

Expenditure on improvements to existing properties, which enhances the economic benefits of the property or extends its useful life, is capitalised as part of the cost of the property.

Other maintenance expenditure is written off to the Income and Expenditure Account as it is incurred. Depreciation is charged on a straight-line basis over varying timescales, depending on the estimated useful life of the individual components. The major components and their estimated useful lives are listed below. Depreciation charged in the accounts is based on properties in management on the 1<sup>st</sup> April each year.

Land	Not depreciated
Structure	100 years
Kitchen	15 years
Bathroom	25 years
Heating boiler	15 years
Heating system	25 years
Windows and doors	25 years
Electrics	30 years
Lift	30 years
Roof	50 years



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **1. ACCOUNTING POLICIES (*contd.*)**

##### **1.5 Housing Association Grant**

Where the cost of properties have been financed by the Housing Association Grant (HAG), paid by the Department for Communities. The amounts of the grants received are shown separately on the balance sheet.

Housing Association Grant (HAG) is shown on the face of the balance sheet under creditors due after more than one year and amortised over the useful economic life of its related asset.

HAG may be repayable under certain circumstances, primarily following the sale of a property. Provision for repayment is made where applicable in the balance sheet when properties which have had HAG funding are sold.

##### **1.6 Disposal Proceeds Fund**

Surpluses from disposal of housing properties, including the related Voluntary Purchase Grant, are transferred to the Disposal Proceeds Fund. The association is required to apply these surpluses within a specified period to housing projects as Recycled Housing Association Grant.

##### **1.7 Tenants Services Fund**

The surplus / deficit generated in this fund is transferred to a reserve, held within creditors, on an annual basis.

##### **1.8 Pension benefits**

The Association participates in an industry wide defined benefit final salary pension scheme. The underlying assets and liabilities of the scheme attributable to NB Housing have been identified by actuaries. As a result the Association recognises the scheme deficit on the balance sheet at the year end. Actuarial gains and losses are included in the statement of recognised gains and losses. Current and past service costs, curtailments and settlements are recognised within operating surplus. Returns on scheme assets and interest on obligations are recognised as other finance costs and income.

##### **1.9 Preparation of the accounts on a going concern basis**

Having reviewed the potential income and commitments for the next 12-18 month period the Committee of Management are of the view that there are no material uncertainties about the Association's ability to continue as a going concern.

##### **1.10 Financial instruments**

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **2.1 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	<b>Operating Turnover £</b>	<b>Operating Costs £</b>	<b>2020 Operating Surplus/Deficit £</b>	<b>2019 Operating Surplus/Deficit £</b>
Social Housing Activities	6,610,426	(4,816,356)	1,794,070	1,862,078
Non-Social Housing Activities	253,460	(269,944)	(16,484)	(30,588)
<b>Total Income</b>	<u>6,863,886</u>	<u>(5,086,300)</u>	<u>1,777,586</u>	<u>1,831,490</u>

#### **2.2 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM NON-SOCIAL HOUSING ACTIVITIES**

	<b>2020 £</b>	<b>2019 £</b>
<b>Other Income</b>		
Development	234,970	198,604
Other income	18,490	4,239
<b>Total Other Income</b>	<u>253,460</u>	<u>202,843</u>
<b>Other Costs</b>		
Development costs	269,944	233,431
Other	-	-
<b>Total Other Costs</b>	<u>269,944</u>	<u>233,431</u>
<b>Operating Surplus/(Deficit)</b>	<u>(16,484)</u>	<u>(30,588)</u>

#### **2.3 HOUSING STOCK**

	<b>No.</b>	<b>No.</b>
<b>Number of units owned by the Association</b>		
General Needs Housing	928	883
Sheltered Housing	64	64
Supported Housing	57	57
<b>Total Owned and managed</b>	<u>1,049</u>	<u>1,004</u>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **YEAR ENDED 31 MARCH 2020**

### **2.4 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL HOUSING ACTIVITIES**

<b>SOCIAL HOUSING ACTIVITIES</b>	<b>General Needs £</b>	<b>Sheltered £</b>	<b>Care £</b>	<b>Supported £</b>	<b>2020 Total £</b>	<b>2019 Total £</b>
<b>Operating Income</b>						
Rent receivable	4,085,702	218,744	-	222,633	4,527,079	4,230,264
Service charges receivable	128,954	88,737	-	76,183	293,874	285,841
Rates receivable	511,332	27,344	-	-	538,676	494,855
Support income	-	19,766	-	272,031	291,797	273,597
<b>Gross Income</b>	<b>4,725,988</b>	<b>354,591</b>		<b>570,847</b>	<b>5,651,426</b>	<b>5,284,557</b>
Less voids	(53,331)	(5,055)	-	(8,302)	(66,688)	(95,826)
<b>Net Income from rents and service charges</b>	<b>4,672,657</b>	<b>349,536</b>		<b>562,545</b>	<b>5,584,738</b>	<b>5,188,731</b>
Income from SHG/HAG	937,217	33,513	-	54,958	1,025,688	990,498
<b>Total Social Housing Income</b>	<b>5,609,874</b>	<b>383,049</b>		<b>617,503</b>	<b>6,610,426</b>	<b>6,179,229</b>
<b>Operating Costs</b>						
Service Costs	149,180	94,531	-	51,530	295,241	292,440
Supporting People Costs	-	18,461	-	276,847	295,308	274,987
Management Costs	515,537	35,554	-	31,666	582,757	497,732
Rates payable	510,297	27,993	-	-	538,290	498,230
Maintenance Administration Costs	374,034	25,795	-	22,974	422,803	345,480
Planned and cyclical maintenance	261,409	5,781	-	18,043	285,233	278,376
Reactive maintenance	367,757	16,795	-	17,542	402,094	359,915
Major repairs	497,091	85,649	-	4,616	587,356	426,323
Bad debts (rent and service charges)	35,605	2,456	-	2,187	40,248	50,675
Depreciation of social housing	1,202,362	74,324	-	71,186	1,347,872	1,280,023
(Profit)/loss on sale of fixed assets	16,945	1,169	-	1,040	19,154	12,970
<b>Total Social Housing Expenditure</b>	<b>3,930,217</b>	<b>388,508</b>		<b>497,631</b>	<b>4,816,356</b>	<b>4,317,151</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,679,658</b>	<b>(5,459)</b>		<b>119,872</b>	<b>1,794,070</b>	<b>1,862,078</b>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

**YEAR ENDED 31 MARCH 2020**

## **2.4 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL HOUSING ACTIVITIES- CONT'D**

	General Needs £	Sheltered £	Care £	Supported £	2020 Total £	2019 Total £
<b>DfC Allowances</b>						
Management Allowances	367,488	25,344	-	22,572	415,404	397,584
Management Costs	(515,537)	(35,554)	-	(31,666)	(582,757)	(497,732)
<b>Surplus / (Deficit)</b>	(148,049)	(10,210)	-	(9,094)	(167,353)	(100,148)
<b>Maintenance Allowances</b>						
Planned and cyclical maintenance	521,980	29,696	-	26,448	578,124	555,539
Reactive maintenance	(261,409)	(5,781)	-	(18,043)	(285,233)	(278,377)
	(367,757)	(16,795)	-	(17,542)	(402,093)	(359,916)
<b>Surplus / (Deficit)</b>	(107,186)	7,120	-	(9,136)	(109,202)	(82,754)
<b>Gross Income from Rents and service charges</b>						
Technical	3,692,780	329,645	-	498,417	4,520,842	4,203,823
Non Technical	979,878	19,890	-	64,128	1,063,896	984,909
<b>Total (To add to total detailed above)</b>	4,672,658	349,535	-	562,545	5,584,738	5,188,732



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **3. DIRECTORS' EMOLUMENTS**

The remuneration paid to the Chief Executive Officer of the Association was:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	72,420	70,000
Social security costs	8,803	8,497
Pension	14,484	13,300
	<u>95,707</u>	<u>91,797</u>

The Committee of Management act voluntarily and are unpaid.

#### **4. EMPLOYEE INFORMATION**

The average weekly number of persons employed during the period was:

	<b>No.</b>	<b>No.</b>
Office	45	42

	<b>£</b>	<b>£</b>
<b>Staff costs:</b>		
Gross salaries	982,485	826,869
Employers NIC	88,431	76,461
Employers Pension	170,451	133,698
	<u>1,241,367</u>	<u>1,037,028</u>

#### **5. INTEREST RECEIVABLE**

Interest receivable from unlisted investments	6,497	3,696
---	-------	-------

#### **6. INTEREST PAYABLE**

On bank loans, overdrafts and other loans:

Repayable within 5 years	3,145	2,889
Repayable wholly or partly in more than 5 years	327,065	288,378
	<u>330,210</u>	<u>291,267</u>

#### **7. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Surplus on ordinary activities before taxation is stated after charging:

Depreciation – owned tangible fixed assets	1,394,737	1,324,241
Amortisation	(1,025,688)	(990,498)
Auditors' remuneration – external	6,510	5,400
- internal	9,180	7,440
- other services	-	744

#### **8. TAXATION**

No provision for current or deferred taxation is necessary due to the charitable status of the association.



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>9. FIXED ASSETS – HOUSING LAND AND BUILDINGS</b>		
<b>COST</b>		
At start of period	87,086,386	80,203,723
Additions	6,354,074	7,099,518
Eliminated on disposals	(821,921)	(216,855)
	<hr/>	<hr/>
At end of period	92,618,539	87,086,386
	<hr/>	<hr/>
<b>DEPRECIATION</b>		
At start of period	15,558,161	14,378,926
Charge for the period	1,347,872	1,280,023
Eliminated on disposals	(257,712)	(100,788)
	<hr/>	<hr/>
At end of period	16,648,321	15,558,161
	<hr/>	<hr/>
<b>NET BOOK VALUE</b>		
At end of period	75,970,218	71,528,225
	<hr/> <hr/>	<hr/> <hr/>
<b>10. GRANTS</b>		
At start of period	60,045,632	56,392,791
Received	2,703,966	3,801,199
Recycled HAG	242,486	-
Eliminated on disposals	(662,254)	(148,358)
	<hr/>	<hr/>
At end of period	62,329,830	60,045,632
	<hr/>	<hr/>
<b>AMORTISATION</b>		
At start of period	13,204,079	12,295,257
Charge for the period	1,025,688	990,498
Eliminated on disposals	(248,987)	(81,676)
	<hr/>	<hr/>
At end of period	13,980,780	13,204,079
	<hr/>	<hr/>
<b>NET BOOK VALUE</b>		
At end of period	48,349,050	46,841,553
	<hr/> <hr/>	<hr/> <hr/>
Long leasehold land and buildings	92,618,539	87,086,386
	<hr/> <hr/>	<hr/> <hr/>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **11. FIXED ASSETS – OTHER**

	<b>Motor Vehicles £</b>	<b>Office Premises' £</b>	<b>Office Furniture and fittings £</b>	<b>Total £</b>
<b>COST</b>				
At beginning of period	14,703	1,193,874	261,135	1,469,712
Additions	-	-	49,543	49,543
Eliminated on disposal	-	-	(37,740)	(37,740)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	14,703	1,193,874	272,938	1,481,515
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At beginning of period	14,703	296,770	225,519	536,992
Charge for period	-	21,832	25,035	46,867
Eliminated on disposal	-	-	(37,740)	(37,740)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	14,703	318,602	212,814	546,119
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At end of period	-	875,272	60,124	935,396
	<hr/>	<hr/>	<hr/>	<hr/>
At beginning of period	-	897,104	35,616	932,720
	<hr/>	<hr/>	<hr/>	<hr/>

	<b>2020 £</b>	<b>2019 £</b>
<b>12. DEBTORS</b>		
Rental Debtors – Technical	211,341	135,435
Rental Debtors – Non Technical	196,472	168,936
	<hr/>	<hr/>
Gross Rental Debtors	407,813	304,371
Less: provision for bad and doubtful debts	(196,472)	(168,936)
	<hr/>	<hr/>
Net Rental Debtors	211,341	135,435
Other debtors	-	1,995
Prepayments and accrued income	61,149	52,866
Housing Association Grant Receivable	418,244	727,212
	<hr/>	<hr/>
	690,734	917,508
	<hr/>	<hr/>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **PERIOD ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>13. CREDITORS</b>		
Amounts falling due within one year:		
Housing loans	759,624	706,216
Trade creditors	27,587	21,156
Rental and Services charges received in advance	37,027	28,022
Accruals and deferred income	1,589,398	1,596,396
Housing Association Grant deferred	1,003,406	990,916
Tenants services account	7,378	16,302
Other creditors	460	451
Disposal Proceeds Fund (note 1.7)	-	-
	<hr/>	<hr/>
	3,424,880	3,359,459
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Housing loans	7,178,230	6,994,425
Disposal Proceeds Fund (note 1.7)	178,843	115,886
	<hr/>	<hr/>
	7,357,073	7,110,311
	<hr/>	<hr/>
<b>Disposal Proceeds Fund</b>		
Opening balance	115,886	-
Surplus on disposal	305,443	115,886
Recycled HAG	(242,486)	-
	<hr/>	<hr/>
	178,843	115,886
	<hr/>	<hr/>

#### **Housing loans**

Housing loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:

	£	£
In one year or less	759,624	706,216
Between one and two years	744,528	714,955
Between two and five years	1,846,378	1,789,677
In five years or more	4,587,324	4,489,793
	<hr/>	<hr/>
	7,937,854	7,700,641
	<hr/>	<hr/>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>14. LONG TERM LOANS</b>		
Movement on long term loans:		
Opening balance	7,700,641	6,031,062
New loan drawdowns	900,000	2,500,000
Repaid	(662,787)	(830,421)
	<hr/>	<hr/>
Closing balance	<u>7,937,854</u>	<u>7,700,641</u>
	<hr/>	<hr/>
<b>15. SHARE CAPITAL</b>		
Ordinary shares of £1 each fully paid:		
At beginning of period	15	14
Issued/(released) during the year	-	1
Repaid	(2)	-
	<hr/>	<hr/>
	<u>13</u>	<u>15</u>
	<hr/>	<hr/>
<b>16. REVENUE RESERVES</b>		
Balance brought forward	18,676,842	17,134,825
Surplus for period	1,247,643	1,456,017
FRS 102 Actuarial gain/loss	(264,000)	86,000
	<hr/>	<hr/>
Balance carried forward	<u>19,660,485</u>	<u>18,676,842</u>
	<hr/>	<hr/>

### **17. CONTINGENT LIABILITY**

There exists a contingent liability on the Association of the possibility of having to repay grant received on properties if any properties are sold. This also includes any grant written off through the implementation of component accounting.



# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **18. RESTRICTED RESERVES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Support reserve</b>		
Balance brought forward	13,713	13,713
Surplus/(deficit) for period	-	-
	<hr/>	<hr/>
Balance carried forward	<u>13,713</u>	<u>13,713</u>

#### **19. CAPITAL COMMITMENTS**

There are capital commitments amounting to £593,948 (2019 £5,282,775). This amount will be part financed by housing association grant from the DfC.

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **20. RETIREMENT BENEFITS**

The Association's pension scheme forms part of the total fund administered by NILGOSC. NB Housing has contributed at a rate of 20% of pensionable salaries. Formal valuations are carried out at regular intervals by independent professionally qualified actuaries. The last formal valuation was carried out as at 31 March 2020.

	<b>2020</b>	<b>2019</b>
<b>Assumptions</b>		
Rate of salary increase	3.40%	3.60%
Pension increases in payment	1.90%	2.10%
Discount rate	2.30%	2.50%
Rate of inflation (CPI)	1.90%	2.10%

#### **DEFINED BENEFIT SECTION**

##### **Assets of the scheme and the expected rate of return:**

	<b>£</b>	<b>£</b>
Equities	1,189,238	1,579,510
Property	279,164	297,319
Government bonds	728,618	438,015
Corporate bonds	351,746	185,825
Cash	131,207	71,675
Other	111,665	82,294
Total assets	<u>2,791,638</u>	<u>2,654,638</u>
Actuarial liabilities	(4,038,000)	(3,418,000)
Surplus/(deficit)	<u>(1,246,362)</u>	<u>(763,362)</u>
Related deferred tax liability	-	-
Net pension liability	<u><u>(1,246,362)</u></u>	<u><u>(763,362)</u></u>

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **20. RETIREMENT BENEFITS (contd.)**

The following amounts have been recognised in the performance statements for the period to 31 March 2020.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Analysis of the amount charged to operating profit</b>		
Service cost	(327,000)	(228,000)
Past service cost	(51,000)	-
Settlements and curtailments	-	-
Total operating charge	<u>(378,000)</u>	<u>(228,000)</u>
<b>Analysis of the amount credited to financing of Provisions</b>		
Expected return	69,000	62,000
Interest on pension liabilities	(86,000)	(80,000)
Net return	<u>(17,000)</u>	<u>(18,000)</u>
<b>Amount recognised in the statement of total recognised gains and losses (STRGL)</b>		
Actuarial gains/(losses)	(264,000)	(25,000)
Opening actuarial adjustment	-	111,000
Actuarial gain or loss in STRGL	<u>(264,000)</u>	<u>86,000</u>
<b>Movement in surplus/(deficit) during the period</b>		
Opening liability	(763,362)	(740,362)
Total operating charge	(378,000)	(228,000)
Contributions	176,000	137,000
Net return	(17,000)	(18,000)
Actuarial gain or loss in STRGL	(264,000)	86,000
Surplus/(deficit) at 31 March	<u>(1,246,362)</u>	<u>(763,362)</u>
<b>History of experience gains and losses</b>		
Difference between actual and expected return on assets	(87,000)	173,000
Percentage of scheme assets	(3.1)%	6.5%
Experience gains and losses on liabilities	(108,000)	(109,000)
Percentage of scheme liabilities	(2.7)%	(3.2)%
Total amount recognised in STRGL	(264,000)	86,000
Percentage of scheme liabilities	(6.5)%	2.5%

# **NORTH BELFAST HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 MARCH 2020**

#### **21.APPENDICES**

Appendices 1 to 4 are not required by the Order but have been provided as additional information for the committee members.

#### **22.RELATED PARTIES**

No members of the Management Committee received any remuneration in the year. No member of the Committee or other person related to the Association had any personal interest in any contract or transaction entered into by the Association during the year.