

St Anne's Hostel

Trustees' Report and Financial Statements

For the year ended 31 March 2024



St Anne's Hostel
(A company limited by guarantee)

Charity Information

Board members	Mr S W Morgan (Chair) (resigned 1 October 2024) Mr J S Martin (resigned 1 October 2024) Mr P S Higman (resigned 1 April 2024) Ms P C Shepherd (resigned 1 October 2024) Dr A Passmore (resigned 1 October 2024) Ms E A Millet (resigned 1 April 2024) Mr S Sharma Ms Caroline Naven (resigned 4 October 2023) Mr David Kinnair (resigned 31 July 2023) Mr A Duggan (appointed 1 April 2024, resigned 1 October 2024) Mrs N Owen (appointed 1 April 2024) Mrs L Cannon (appointed 1 April 2024) Mr M Baird (appointed 1 April 2024) Mr D Saunders (appointed 1 April 2024) Mr B Taylor (appointed 1 April 2024) Mrs V Hines (appointed 1 April 2024, resigned 1 October 2024)
Company secretary	Mrs A Trappett
Charity registration number	1037430
Company registration number	02919404
Registered office	112 Moseley Street Highgate Birmingham B12 0RY
Registered social landlord number	H4276
Independent auditor	Dains Audit Limited 2 Chamberlain Square Paradise Birmingham B3 3AX

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St Anne's Hostel
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2024

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

Objectives and activities

The objectives are the provision of accommodation in the city of Birmingham for single homeless men who are provided with assistance in seeking resettlement in the community.

The Board have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Rent policy

The company's policy is to charge rent at levels that are affordable and reflect the quality of accommodation, management and support provided. The principle of affordable rents is to encourage residents to find employment and escape from the culture of State benefits. To enable the company to achieve this, the rent levels at some of its existing and new properties which are used for move-on accommodation have been reduced or set at a lower level than those where intensive support is provided. These reduced rent levels have not affected the quality of the accommodation provided.

Trustees

The Trustees who served during the year were:

Mr S W Morgan (Chair) (resigned 1 October 2024)
Mr J S Martin (resigned 1 October 2024)
Mr P S Higman (resigned 1 April 2024)
Ms P C Shepherd (resigned 1 October 2024)
Dr A Passmore (resigned 1 October 2024)
Ms E A Millet (resigned 1 April 2024)
Mr S Sharma
Ms Caroline Naven (resigned 4 October 2023)
Mr David Kinnair (resigned 31 July 2023)
Mr A Duggan (appointed 1 April 2024, resigned 1 October 2024)
Mrs V Hines (appointed 1 April 2024, resigned 1 October 2024)

The Board are appointed in accordance with the Articles of Association.

None of the Board has any beneficial interest in the company. All of the Board are members of the company and guarantee to contribute £1 in the event of a winding up.

Trustees' report (continued)
For the year ended 31 March 2024

Long term stock maintenance repair policy

The company's policy is to maintain its housing stock to the highest possible standards, thereby ensuring both staff and resident safety.

Each financial year a detailed plan is drawn up, which is included in the budgets, to carry out the work detailed and this is monitored by senior management to ensure all appropriate repairs are carried out.

General repairs are carried out on a day-to-day basis when needed. The company's manager is responsible for ensuring that repairs are identified and carried out when needed and the performance of contractors is constantly reviewed to ensure the company achieves value for money.

Reserves policy

The Board have adopted the policy of putting funds into a designated reserve and of using the designated reserve as required. The Board consider that the company has sufficient assets to meet obligations as they arise on designated and general funds.

The Board are of the opinion that the need for a designated reserve has diminished as a result of substantial repairs and maintenance expenditure. The company has decided not to top up the cyclical maintenance reserve from general reserves this year.

The level of and need for the designated reserve will continue to be assessed each year.

Achievements and performance

St Anne's continued to invest in its facilities during the year and has successfully maintained the quality of its provision for service users at a time where funding is constrained. The company has continued to progress plans for the development of its development site, with the plans for the development site now agreed and the planning permission granted.

St Anne's Hostel

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Trustees' report (continued)

For the year ended 31 March 2024

Assessment of how the RP is achieving value for money

The Board recognises the importance of running the charity in a business-like way in order to maximise the resources available to invest in the services provided to residents who are at the centre of all that we do.

We seek to do this by working together with like-minded suppliers and contractors. They help us deliver services in a more cost-effective and efficient way by working collaboratively to offer joined up solutions which are more innovative and better targeted. By working together and sharing skills and experience, we can seek to achieve more.

We constantly review our services and operations to ensure we achieve greater efficiencies and deliver value to our residents.

St Anne's Hostel has prepared the groundwork to report against an agreed set of measures for Value for Money, that were required by the Regulator for Social Housing (RSH). St Anne's Hostel can offer the following information for VFM metrics for the year ended March 2024:

		2022/23		2023/24
1	Reinvestment %	5.6%	Windows replacement and preparation for new build.	16.5%
	(Fixed Asset Additions as a percentage of total fixed assets at the end of the period)			
2a	New Supply (Social Housing Units) %	Nil	No new social housing units delivered in year.	Nil
	(Social units developed, acquired or leased in-year as a percentage of Total social units at the end of the period)			
2b	New Supply (Non-Social Housing Units) %	Nil	No new social housing units delivered in year.	Nil
	(Non-Social units developed, acquired or leased in-year as a percentage of Total social and non-social units at the end of the period)			
3	Gearing %	3.8%	Remains stable	3.6%
	Short- and long-term loans and lease obligations less cash and cash equivalents as a percentage of tangible fixed assets.			
4	EBITDA MRI Interest Cover %	-347.7%	Deficit EBITDA	-420.9%
	EBITDA as a percentage of interest payable and financing costs.			
5	Headline Social Housing Cost £	N/A	Management cost for social housing and hostel accommodation are not separately identified.	N/A
6a	Operating Margin (social housing lettings) %	N/A	Surplus attributable to social housing not separately identified.	N/A
6b	Operating Margin (overall) %	0.5%	Improvement in operating surplus	12.0%
7	Return on Capital Employed %	0.3%	Improvement in operating surplus	7.2%

Financial review

The results for the year show an overall surplus of £107,100 (2023 - £9,224 deficit as restated). The operating deficit on social housing lettings improved to £14,514 (2023 - £49,934 as restated), as shown in notes 4 & 5, however the economic environment remains challenging.

Trustees' report (continued)
For the year ended 31 March 2024

Plans for future periods

As from 1 April 2024 it was agreed that St Anne's Hostel would join a strategic partnership with Spring Housing Association (registered charity number: 1163098) to form a group structure between the organisations. This structure would see St Anne's Hostel becoming the parent organisation with Spring Housing Association Limited and Spring Community Homes becoming its subsidiaries.

The organisations have similar values and objectives and this partnership aims to further meet the joint mission to provide long term sustainable accommodation to those in housing need. This partnership will further strengthen the roles of the organisations within the sector to be able to support an increased number of customers and provide financial stability for the future.

Planning permission has been granted for the Charity's development site however the project is on hold until the required funds can be raised.

Promoting the success of the company

The Board consider that the current risk strategy and assessment arrangements are sufficient to address the major risks to which the company is exposed, but they are currently being reviewed.

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Trustees 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 Charity and of the profit or loss of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies for the Charity's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

St Anne's Hostel

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Trustees' report (continued)

For the year ended 31 March 2024

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

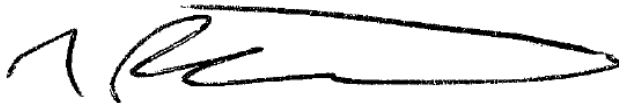
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditor

The auditor, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr M Baird
Chairperson

Date: 17 December 2024

Independent Auditor's Report to the Members of St Anne's Hostel

Opinion

We have audited the financial statements of St Anne's Hostel (the 'Charity') for the year ended 31 March 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of its profit 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 Companies Act 2006.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of St Anne's Hostel (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Independent Auditor's Report to the Members of St Anne's Hostel (continued)

Responsibilities of directors

As explained more fully in the Trustees' responsibilities statement set out on page 4, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Charity'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 Trustees either intend to liquidate the Charity 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our knowledge and experience of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the financial reporting legislation, Charities Act 2011, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Members of St Anne's Hostel (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

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

Other matters

The financial statements for the year ended 31 March 2023 were not required to be audited. An unmodified independent examiner's report was issued on 21 November 2023 by Mr Richard Alan Horton of Jerroms.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity and the Charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris (FCA) (Senior Statutory Auditor)

for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

17 December 2024

St Anne's Hostel

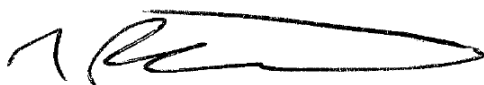
(A company limited by guarantee)

Statement of comprehensive income
For the year ended 31 March 2024

	Note	2024 £	As restated 2023 £
Turnover	4	1,035,360	874,903
Operating costs	4	(910,795)	(870,580)
Operating surplus/(deficit)	7	124,565	4,323
Interest and financing costs	8	(17,465)	(13,547)
Surplus/(deficit) for the year		107,100	(9,224)

There was no other comprehensive income for 2024 (2023:£NIL).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2024.



Mr M Baird
Chairperson



Mr S Sharma
Treasurer

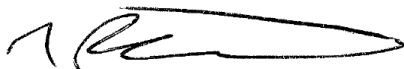
The notes on pages 15 to 31 form part of these financial statements.

St Anne's Hostel**(A company limited by guarantee)****Registered number:02919404****Balance sheet****As at 31 March 2024**

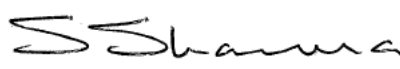
		2024	As restated 2023
	Note	£	£
Fixed assets			
Tangible fixed assets – housing properties	10	1,628,394	-
Other tangible fixed assets	11	140,998	1,573,996
		<u>1,769,392</u>	<u>1,573,996</u>
Current assets			
Trade and other debtors	12	25,100	47,845
Cash and cash equivalents		139,778	161,482
		<u>164,878</u>	<u>209,327</u>
Creditors: amounts falling due within one year	13	(211,694)	(134,217)
Net current (liabilities)/assets		<u>(46,816)</u>	<u>75,110</u>
Total assets less current liabilities		<u>1,722,576</u>	<u>1,649,106</u>
Creditors: amounts falling due after more than one year	14	(796,070)	(829,700)
Net assets		<u><u>926,506</u></u>	<u><u>819,406</u></u>
Reserves			
Restricted reserves	17	702,441	648,550
Designated reserves	17	14,044	14,044
General unrestricted reserves	17	210,021	156,812
Total reserves		<u><u>926,506</u></u>	<u><u>819,406</u></u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2024.



Mr M Baird
Chairperson



Mr S Sharma
Treasurer

The notes on pages 15 to 31 form part of these financial statements.

St Anne's Hostel**(A company limited by guarantee)****Statement of changes in reserves****For the year ended 31 March 2024**

	Restricted reserves	Designated reserves	General unrestricted reserves	Total reserves
	£	£	£	£
At 1 April 2023 (as previously stated)	131,246	14,044	156,812	302,102
Prior year adjustment (see note 18)	517,304	-	-	517,304
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2023 (as restated)	648,550	14,044	156,812	819,406
Surplus for the year	-	-	107,100	107,100
Movement on restricted funds (see note 17)	53,891	-	(53,891)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	702,441	14,044	210,021	926,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 31 form part of these financial statements.

St Anne's Hostel
(A company limited by guarantee)

Statement of changes in reserves
For the year ended 31 March 2023

	Restricted reserves	Designated reserves	General unrestricted reserves	Total reserves
	£	£	£	£
At 1 April 2022 (as previously stated)	161,008	14,044	190,531	365,583
Prior year adjustment (see note 18)	463,047	-	-	463,047
At 1 April 2022 (as restated)	624,055	14,044	190,531	828,630
Deficit for the year	-	-	(9,224)	(9,224)
Movement on restricted funds (see note 17)	24,495	-	(24,495)	-
At 31 March 2023	648,550	14,044	156,812	819,406

The notes on pages 15 to 31 form part of these financial statements.

St Anne's Hostel
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Statement of cash flows
For the year ended 31 March 2024

	2024 £	As restated 2023 £
Cash flows from operating activities		
Surplus/(deficit) for the financial year	107,100	(9,224)
Adjustments for:		
Depreciation of tangible assets	97,424	66,126
Interest paid	17,465	13,547
Decrease/(increase) in debtors	22,745	(8,143)
Increase in creditors	62,438	11,665
Net cash generated from operating activities	307,172	73,971
Cash flows from investing activities		
Purchase of tangible fixed assets - housing properties	(225,706)	-
Purchase of other tangible fixed assets	(67,114)	(87,628)
Net cash from investing activities	(292,820)	(87,628)
Cash flows from financing activities		
Repayment of loans	(18,591)	(19,556)
Interest paid	(17,465)	(13,547)
Net cash used in financing activities	(36,056)	(33,103)
Net (decrease) in cash and cash equivalents	(21,704)	(46,760)
Cash and cash equivalents at beginning of year	161,482	208,242
Cash and cash equivalents at the end of year	139,778	161,482
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	139,778	161,482

1. General information

St Anne's Hostel is a private company limited by guarantee and incorporated in England and Wales. It is a Registered Provider of Social Housing with the Regulator of Social Housing and a Registered Charity with the Charity Commission in England & Wales.

The Charity's registered office address and registered numbers are set out on the Charity Information page. The Charity's principal activity is the provision of accommodation in the city of Birmingham for single homeless men who are provided with assistance in seeking resettlement in the community.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements are presented in the functional currency of GBP (Sterling). They are prepared to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Board have reviewed the cash position and forecasts and believe they have sufficient reserves to continue trading for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

2. Accounting policies (continued)

2.4 Turnover

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed.

Cash donations are recognised upon receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 2 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.7 Housing properties (continued)

The Charity separately identifies the major components to its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Freehold property - fabric	- 40
Long-term leasehold property	- 50
Leasehold improvements	- 30
Flat roof	- 30
Windows	- 20
Kitchens	- 15
Bathrooms	- 15

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs;
- A significant extension to the life of the property.

2.8 Other tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Furniture	- 10 years
Equipment	- 15 years
Boilers	- 15 years
Computers	- 3 years
Fire alarms	- 25 years
Washing machines and equipment	- 5 years

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

2. Accounting policies (continued)

2.9 Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate 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 assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

2.10 Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income and expenditure account in the period it arises.

2.15 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Charity's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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

2.16 Reserves

The charity establishes restricted reserves for specific purposes where their use is subject to external restrictions.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The process of preparing financial statements requires the use of accounting estimates, assumptions and judgements by the Association regarding the future that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets including any components. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and maintenance programmes. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment, changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components.

Impairment

Management assesses the impairment of property, plant and equipment subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: significant underperformance relative to historical or projected future operating results; changes in the manner of the use of the acquired assets or the strategy for the overall business; and significant adverse industry or economic trends.

As part of the Association's continuous review of the performance of their assets, management identify any impairment triggers which may affect housing properties. Such triggers include increasing void losses, government policy changes (such as welfare reform changes or rent reductions), any significant damage or repairs are required to any homes, failure to meet energy efficiency standards, or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

4. Particulars of turnover, operating expenditure and operating surplus/(deficit)

	Turnover 2024 £	Operating costs 2024 £	Operating surplus 2024 £	Turnover 2023 £	Operating costs 2023 £	Operating surplus 2023 £
Social housing activity						
Social housing lettings (note 5)	848,054	(862,568)	(14,514)	787,474	(837,408)	(49,934)
Other social housing activities						
Capital grants	187,306	(48,227)	139,079	87,429	(33,172)	54,257
	<u>1,035,360</u>	<u>(910,795)</u>	<u>124,565</u>	<u>874,903</u>	<u>(870,580)</u>	<u>4,323</u>

Notes to the financial statements
For the year ended 31 March 2024

5. Particulars of income and expenditure from social housing lettings

	Supported housing 2024 £	Supported housing 2023 £
Turnover		
Rents receivable net of identifiable service charges	668,979	639,109
Service charge income	73,660	73,719
Void losses	(27,876)	(65,385)
Amortised government grants	16,573	16,573
Other grants and donations	116,718	123,458
Turnover from social housing lettings	848,054	787,474
Operating expenditure		
Management	(616,545)	(591,758)
Service charge costs	(121,302)	(118,116)
Routine maintenance	(29,116)	(42,830)
Planned maintenance	(18,761)	(12,831)
Bad debts	(20,568)	(24,978)
Depreciation	(49,197)	(32,954)
Other costs	(7,079)	(13,941)
Operating expenditure on social housing lettings	(862,568)	(837,408)
Operating surplus/(deficit) on social housing lettings	(14,514)	(49,934)

6. Accommodation in management and development

	2024 £	2023 £
Social housing		
Supported housing	51	55

Notes to the financial statements
For the year ended 31 March 2024

7. Operating surplus/(deficit)

The operating surplus/(deficit) is stated after charging:

	2024	As restated 2023
	£	£
Depreciation of housing properties	79,689	46,695
Depreciation of other tangible fixed assets	17,735	19,430
Amortisation of government grants	(16,573)	(16,573)
Auditor's remuneration	12,000	-
	<u>12,000</u>	<u>-</u>

8. Interest payable and similar expenses

	2024	2023
	£	£
Loan interest payable	17,465	13,547
	<u>17,465</u>	<u>13,547</u>

Notes to the financial statements
For the year ended 31 March 2024

9. Employees

Staff costs in the year were as follows:

	2024 £	2023 £
Wages and salaries	510,505	501,877
Social security costs	35,750	40,652
Pension costs	16,269	14,495
	<hr/>	<hr/>
	562,524	557,024
	<hr/>	<hr/>

The average monthly number of employees during the year was as follows:

	2024 No.	2023 No.
Housing and support	19	20
Administration	2	3
	<hr/>	<hr/>
	21	23
	<hr/>	<hr/>

There were no employees who received annual remuneration greater than £60,000 (2023 - none).

The key management personnel of the charity is limited to the members of the Board who did not receive any remuneration or reimbursement of expenses (2023 - £Nil).

Notes to the financial statements
For the year ended 31 March 2024

10. Tangible fixed assets - housing properties

	Supported housing £
Cost	
Additions	225,706
Transfer from other tangible fixed assets	1,717,345
	<hr/>
At 31 March 2024	1,943,051
	<hr/>
Amortisation	
Charge for the year	79,689
Transfer from other tangible fixed assets	234,968
	<hr/>
At 31 March 2024	314,657
	<hr/>
Net book value	
At 31 March 2024	1,628,394
	<hr/> <hr/>
At 31 March 2023	-
	<hr/> <hr/>

Expenditure on works to existing properties

	2024 £	2023 £
Improvement works capitalised	128,782	49,385
Components capitalised	96,924	11,652
Amounts charged to income and expenditure	47,877	55,661
	<hr/>	<hr/>
	273,583	116,698
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements
For the year ended 31 March 2024

11. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2023	1,264,313	453,032	277,336	1,994,681
Additions	-	-	67,114	67,114
Transfers between classes	(1,264,313)	(453,032)	-	(1,717,345)
At 31 March 2024	-	-	344,450	344,450
Depreciation				
At 1 April 2023	30,715	214,343	175,627	420,685
Charge for the year	-	-	17,735	17,735
Transfers between classes	(30,715)	(214,343)	10,090	(234,968)
At 31 March 2024	-	-	203,452	203,452
Net book value				
At 31 March 2024	-	-	140,998	140,998
At 31 March 2023	1,233,598	238,689	101,709	1,573,996

St Anne's Hostel
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

12. Debtors

	2024	2023
	£	£
Rent and service charges receivable	13,281	35,588
Prepayments and accrued income	11,819	12,257
	25,100	47,845

13. Creditors: Amounts falling due within one year

	2024	As restated 2023
	£	£
Bank loans	20,211	21,745
Trade creditors	4,811	6,405
Other taxation and social security	9,956	8,811
Other creditors	131,262	59,198
Accruals and deferred income	28,881	21,485
Deferred capital grants (note 15)	16,573	16,573
	211,694	134,217

14. Creditors: Amounts falling due after more than one year

	2024	As restated 2023
	£	£
Bank loans	182,872	199,929
Deferred capital grants (note 15)	613,198	629,771
	796,070	829,700

Notes to the financial statements
For the year ended 31 March 2024

15. Deferred capital grants

	2024 £	As restated 2023 £
As at 1 April	646,344	662,917
Released in the year	(16,573)	(16,573)
As at 31 March	629,771	646,344
For release in less than one year	16,573	16,573
For release in more than one year	613,198	629,771
	629,771	646,344

Deferred capital grants represents a Homes England grant vested in the Charity's freehold property being amortised over 40 years.

16. Loans

Analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year		
Bank loans	20,211	21,745
Amounts falling due 1-2 years		
Bank loans	21,991	20,328
Amounts falling due 2-5 years		
Bank loans	77,517	71,550
Amounts falling due after more than 5 years		
Bank loans	83,364	108,051
	203,083	221,674

The bank loan is secured through a fixed charge over the freehold property of the charity and is repayable over 10 years at rates of interest of 3.75% above base rate.

Notes to the financial statements
For the year ended 31 March 2024

17. Reserves

	Balance at 1 April 2023 as restated	Income	Expenditure	Balance at 31 March 2024
	£	£	£	£
Restricted reserves				
Courtyard project	3,708	336	(4,044)	-
Support staff salaries	97,050	50,091	(110,656)	36,485
Pet support	1,955	550	(1,080)	1,425
Window restoration	100	-	-	100
Park View	4,318	-	-	4,318
Move on residents	1,250	-	-	1,250
Arts & crafts	11,137	2,951	(11,608)	2,480
Training	9,750	-	(9,750)	-
Bond scheme	1,978	-	(1,978)	-
Capital grants	517,304	187,306	(48,227)	656,383
	648,550	241,234	(187,343)	702,441
Designated reserves				
Cyclical maintenance	14,044	-	-	14,044
	14,044	-	-	14,044
Unrestricted reserves				
General unrestricted reserves	156,812	794,126	(740,917)	210,021
Total of funds	819,406	1,035,360	(928,260)	926,506

Purpose of reserves

Support staff salaries - represents grant funding towards specific staff salaries.

Capital grants - represents grants received from non-government sources towards the purchase of fixed assets.

Other restricted funds are restricted to specific purposes specified by the donors.

Notes to the financial statements
For the year ended 31 March 2024

18. Prior year adjustment

In previous financial statements, capital grants from all sources were recognised in income over the useful life of the housing property under the accruals model. This resulted in a large deferred capital grants creditor at the balance sheet date which included grants from non-government sources.

For the current reporting period, the board received professional advice that highlighted the requirement of the Housing SORP 2018 that grants received from non-government sources are recognised using the performance model. In the case of the Charity's capital grants, £517,304 of the deferred capital grants creditor at 31 March 2023 represented amortised grants from non-government sources where all attaching conditions had been fulfilled.

A prior year adjustment has therefore been processed, in accordance with the performance model, to release £517,304 from deferred capital grants to restricted income reserves at 31 March 2023 (£463,047 at 31 March 2022).

19. Analysis of net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	161,482	(21,704)	139,778
Debt due after 1 year	(199,929)	17,057	(182,872)
Debt due within 1 year	(21,745)	1,534	(20,211)
	<u>(60,192)</u>	<u>(3,113)</u>	<u>(63,305)</u>

20. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £16,269 (2023 - £14,495). There were no contributions were payable to the fund at the balance sheet date (2023 - £Nil).

21. Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

22. Post balance sheet events

As from 1 April 2024 it was agreed that St Anne's Hostel would join a strategic partnership with Spring Housing Association (registered charity number: 1163098) to form a group structure between the organisations. This structure would see St Anne's Hostel becoming the parent organisation with Spring Housing Association Limited and Spring Community Homes becoming its subsidiaries.

The organisations have similar values and objectives and this partnership aims to further meet the joint mission to provide long term sustainable accommodation to those in housing need. This partnership will further strengthen the roles of the organisations within the sector to be able to support an increased number of customers and provide financial stability for the future.