

Company Registration Number 05972159
Charity Registration Number 1120475
Almshouse Association Registration Number M1922
Regulator for Social Housing Registration Number L1551



Your home in later life

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

FINANCIAL STATEMENTS

31 MARCH 2022

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

CONTENTS
YEAR ENDED 31 MARCH 2022

| | Pages |
|--|--------------|
| Reference and administrative details of the charity, its trustees and advisors | 1 - 3 |
| Chair's report | 4 |
| Trustees' report | 5 - 13 |
| Statement by the board in respect of internal financial control | 14 |
| Independent auditor's report | 15 - 18 |
| Statement of Comprehensive Income | 19 |
| Statement of Financial Position | 20 |
| Statement of Change in Reserves | 21 |
| Statement of Cash Flows | 22 |
| Notes to the financial statements | 23 - 38 |

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS YEAR ENDED 31 MARCH 2022

| | |
|--|----------|
| Charity Registration Number | 1120475 |
| Company Registration Number | 05972159 |
| Almshouse Association Registration Number | M1922 |
| Regulator for Social Housing Registration Number | L1 551 |

Board of Directors/Trustees

The Trustees who served on the Board of Trustees from 1 April 2021 to the date of approval of these financial statements are:

M Gallagher FRICS
C N Patten Dip Arch RIBA (resigned 26 August 2021)
J M Toffel BA (Hons) PGCE
C J Tibballs (resigned 15 November 2021)
J Wheeldon BSc FCIH
J Williams FCA
N Cornmell (appointed 26 August 2021)
R Perry (appointed 26 August 2021)
F Shaughnessy (appointed 28 March 2022)

| | |
|--------------------------|---|
| President | M McLeod BA (Hons) PGCE ADVDIP (Law) ADVDIP (Education) |
| Chair | J M Toffel BA (Hons) PGCE |
| Vice Chairmen | M Gallagher FRICS |
| Company Secretary | Mrs A Shields ADVDIP (Business) (resigned 31 March 2022) J M Toffel BA (Hons) PGCE (appointed 23 May 2022) |
| Senior Officers | Mrs A Shields - Chief Executive (resigned 31 March 2022) |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISORS**
YEAR ENDED 31 MARCH 2022 (continued)

| | |
|-------------------------------------|--|
| Registered Office | Fairfield House 33 Farnbridge Road Maldon Essex CM9 6AD |
| Bankers and Similar Institutions | National Westminster Bank plc 4-5 High Street Chelmsford Essex CM1 1FZ Santander Plc BBAM Bridle Road Bootle Merseyside GIR 0AA Nationwide Building Society Housing Department Kings Park Road Moulton Park Northampton NN3 6NW Orchardbrook Crown House Crown Street Ipswich Suffolk IP1 3HS Aldermore Bank plc 1 st Floor, Block B Western House Lynch Wood Peterborough PE2 6FZ Shawbrook Lutea House Warley Hill Business Park The Drive Great Warley Brentwood CM13 3BE |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISORS**
YEAR ENDED 31 MARCH 2022 (continued)

**Bankers and
Similar Institutions
(Continued)**

Redwood Bank
The Nexus Building
Broadway
Letchworth Garden City
SG6 3TA

Hampshire Trust Bank
6 E Parade
Leeds
LS1 2AD

United Trust Bank
1 Ropemaker Street
London
EC2Y 9AW

Solicitors

MPP Solicitors
22 High Street
Maldon
Essex
CM9 5PJ

External Auditor

Beever and Struthers
Chartered Accountants and Statutory Auditors
15 Bunhill Row
London
EC1Y 8LP

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

CHAIR'S REPORT
YEAR ENDED 31 MARCH 2022

Maldon Housing Association Limited is a community of residents, staff and trustees, working together with the well-being of residents at the core.

During the financial year 2021 – 2022, again focus was on maintaining a safe environment for all in our three residences as the challenge to combat the Covid virus in all its forms remained a high priority. Support staff were particularly vigilant, being aware of the detrimental effect of isolation and loneliness upon those residents without family or friends close by.

Indeed, some of our members of staff contracted the virus, creating additional concerns for the Association. I thank all staff for their fortitude in assisting each other whenever one of their number had to stay away from work, ensuring that all essential matters were addressed and vulnerable residents remained safe and supported.

Only during the final months of the year could social life in our residences resume some degree of normality as coffee mornings were reinstated and other events were gradually resumed.

After years of researching the best available materials and endeavours to meet the requirements of the council's planning department, replacement windows were finally installed in several flats of Deed House. This was a major project for the Association, particularly as the property is in a conservation area, necessitating compliance with the conditions set for the immediate environment. Both residents and trustees are very pleased with the new installations in both aesthetic and practical terms. I thank everyone involved in bringing this to fruition, particularly the Facilities Manager and the Property Committee who worked in close collaboration on this.

At the end of February, the Chief Executive decided that the time had come for her to relinquish her role with the Association. With regret the trustees accepted her resignation, effective from 31 March 2022. During her years as CEO, Mrs Shields engendered a high professional standard throughout the organization, meeting all challenges with equanimity and maintaining the sustainability of the Association. The trustees join me in recording our thanks to Mrs Shields for her contribution to the work of Maldon Housing Association Limited and her commitment to our residents.

Maldon Housing Association Limited now looks to the future with optimism as all sectors of the organization are working under the guidance of strong managers with excellent staff teams, enabling the next CEO, when appointed, to seek opportunities for the development of the Association as we seek to benefit more of the inhabitants of the Maldon area.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022

References and administrative details

Reference and administrative details of the charity, its trustees and advisors are set out on pages 1 – 3 as part of this report.

Trustees' responsibilities for financial reporting

The trustees, being the Executive Committee and the directors as required by s417 of the Companies Act 2006, are pleased to present their report and the audited financial statements of Maldon Housing Association for the year ending 31 March 2022. The financial statements have been prepared in accordance with Financial Reporting Standard 102, effective January 2015, as required in the UK and Republic of Ireland. The financial statements comply with the current statutory requirements and the Memorandum and Articles of Association under which Maldon Housing Association Limited was established.

In accordance with Company Law, the trustees are responsible for the annual preparation of financial statements, complying with applicable law and United Kingdom Generally Accepted Accounting Standards, to give a true and fair view of the affairs of the Association, showing the incoming resources and application of resources, including income and expenditure, for the specified financial year.

In preparing the requisite financial statements, the trustees must undertake the following:

- Select suitable accounting policies, applying these consistently;
- Observe the methods and principles set in the Housing SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the basis of the Association being a going concern unless it is inappropriate to presume that the Association will continue in operation.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy the financial position of the Association and that enable the trustees to ensure that the financial statements comply with the Companies Act 2006, Schedule 1 to the Housing and Regeneration Act 2008, the Accounting Direction 2019 for Private Registered Providers of Social Housing and the provisions of the trust deed.

The trustees are responsible for safeguarding the financial assets of the Association and hence for taking reasonable steps to prevent and detect fraud and other irregularities. Furthermore, the trustees are responsible for the maintenance and integrity of the Association, including any financial information given on the Association's website, if applicable.

Information for Auditors

The Trustee members who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and each Trustee member has taken all the steps that they ought to have taken as a Trustee member to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Structure, Governance and Management

The Board of Trustees comprises volunteers, encompassing a variety of skills, expertise and experience, ensuring wide-ranging perspectives. The composition of the Board of Trustees is reviewed regularly to ensure that a balance of essential skills is maintained. Recruitment of new trustees is undertaken in the light of identification of further skills or areas of expertise that would be an asset to the Board and the Association.

New trustees are nominated by existing trustees or are sought through open advertisement. Nominees or applicants are considered by the Board, on recommendation then being interviewed by the Chair and CEO. A prospective trustee is invited to observe a Board meeting before formally joining the organisation. With the agreement of the Board of Trustees and subject to references, formal vetting and the signing of a declaration of eligibility, a new trustee is appointed.

Information given to a new trustee includes a document explaining the responsibilities of the role and the Association's expectations of its trustees. The induction process comprises a briefing on the finances of the organisation and on the Memorandum and Articles of Association together with the statutory and legal responsibilities, including the requirements of the Charity Commission and the Regulator of Social Housing, as well as a tour of the Association's properties.

All trustees have access to training courses, being informed of opportunities as appropriate.

At the AGM the Board of Trustees elects a chair and vice chair as well as accepting the retirement of any trustee who so wishes or has completed the requisite terms of office. A trustee may serve three consecutive terms of office. However, the Board has the discretion to re-appoint a trustee for a further period not exceeding one term. The chair and vice chair should hold office for a period not exceeding six years.

The Association adheres to the National Housing Federation Code of Governance, issued in 2015. The Board recognises that there is non-compliance for the year ended 31 March 2022 in respect of two issues only:

- i. The National Housing Federation Code of Governance states: *"To support board renewal, maximum terms of office must be two to three terms, with an overall maximum period of board service for non-executive board members of no more than nine years."*
The trustees acknowledge the importance of Board renewal. Due to the size of the organisation and on-going development of the business, the Board of Trustees wishes to retain the option to allow experienced trustees to continue in office for a further term if that is considered to be beneficial to the Association.
Therefore Maldon Housing Association's Articles of Association, established in 1966, state:
"A retiring trustee who remains qualified may normally be reappointed for a maximum of three consecutive terms of office. However, the trustees have the discretion to reappoint a trustee beyond three consecutive terms of office, for a period to be determined by the trustees, but not exceeding one further term."
- ii. The National Housing Federation Code of Governance states: *"Boards should have at least 5 members and no more than 12 including co-optees."*
Maldon Housing Association's Articles of Association, established in 1966, state:
"The trustees when complete consist of at least 7 and no more than 15 individuals."

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

The Board of Trustees meets four times a year and holds further meetings should that be deemed beneficial in order to conduct the affairs of the Association effectively. Certain functions are delegated to specific committees that comprise two or more trustees appointed to carry out those particular functions. Each committee has agreed terms of reference which indicate clearly the extent of delegated powers; all proceedings in committee meetings are minuted and recommendations are set before the Board for consideration and ratification. Committee chairs are elected annually immediately following the AGM, no trustee serving as chair of any one committee beyond a period of six years consecutively. A meeting of residents, chaired by and attended by trustees, is held regularly in each house in turn, enabling residents to discuss any matters that concern them; such meetings have been suspended for 2021-2022 in accordance with the restrictions governing conduct during the Covid-19 pandemic.

In order to carry out its prime responsibility of safeguarding the Association, a process of risk management is followed to identify, control and monitor strategic and operational risks. Key areas of risk, as set out in the current Risk Register, are specified under the headings of 'governance and management,' 'operational,' 'financial,' 'environmental and external,' and 'compliance with law and regulation.' The Finance Committee delegates to specific individuals responsibility for internal audit controls, ensuring that procedures are rigorously applied.

The Board of Trustees has overall control of the charity, its property and funds. It has the authority to employ paid staff, the CEO having responsibility for the daily operation of the Association.

All trustees are volunteers; if applicable, any expenses reclaimed from the charity and any related party transactions requiring disclosure are set out in note 21 to the financial statements.

Objectives and Activities

Maldon Housing Association Limited joined the Almshouse Association on 1 April 2008. The Association has charitable objects and is registered with the Charity Commission.

The Objects of the charity are "*To provide and maintain Almshouses and associated services and amenities for persons who are in need of accommodation through old age, chronic sickness, disability (whether physical or mental) or necessitous circumstance.*"

Maldon Housing Association Limited has three properties in Maldon, comprising 57 flats, providing high quality supported housing accommodation for people aged 60 or over who have connections with Maldon and are able to live independently. The Association shares with Maldon District Council a 50/50 right to nominate residents for a vacant flat; the Royal British Legion has nomination rights on those flats for which that organisation has funded bathroom adaptations. A list of applicants seeking flat is maintained by the Association and updated regularly.

Accommodation is offered according to the criteria specified in the Objects, "*necessitous circumstances*" being assessed in terms of age and health needs, isolated circumstances or current unsuitable accommodation. Where housing need is deemed to be equal between two or more applicants, preference is given to those who are local, then by reference to length of time on the waiting list. The Association adheres to a policy of equal opportunity; equal access to accommodation by gender, race or disability is monitored regularly.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Maldon Housing Association Limited is committed to promoting independent living and empowering residents to maintain control of their own lives. The aim is to offer a 'home for life.' Support staff are on duty between 08.00 and 15.00 Monday to Friday; a welfare check is made at weekends. Outside these hours an emergency alarm system is activated. The Association works with a range of professional bodies, such as Social Services and care agencies, to ensure that care is provided, according to individual needs, enabling residents to maintain independence for as long as possible.

Regular staff meetings are held to ensure a cohesive approach and that best practice is followed as the Association constantly seeks to evaluate and improve the quality of both the accommodation offered and service provided. To this end, residents are encouraged to participate in discussion. Under normal circumstances, weekly coffee mornings in the communal lounge of each house afford an opportunity for residents to meet together, considering any matters pertaining to their well-being or way of life within the organisation. Such meetings have been suspended during restrictions necessitated by the Covid-19 pandemic; however, the Chief Executive has ensured that all residents have her contact details and has continued to respond swiftly to any communication from an individual. Likewise trustees have been unable to meet with residents as would usually happen but the Chair of the Board of Trustees has remained accessible to all residents either by telephone or email.

In accordance with the Objects and with the status of Maldon Housing Association under both the Almshouse Association and the Charity Commission, the trustees have continued to ensure that all activities are undertaken with focus on the welfare of current residents and with a view to further the charity's purpose. The trustees have had regard to the Charity Commission's guidance on public benefit in reviewing the aims and objectives of the Association and in planning future activities; they have complied with their duties as set out in Section 17 of the Charities Act 2011.

The Board is mindful of the need to plan for providing accommodation for future residents in accordance with the Decent Homes Standard. During 2021-22, work continued to improve the Association's IT provision, trustees being aware that future residents will have expectations of reliable access to advances in technology.

On 31 March 2022, 49% of the residents of Maldon Housing Association were aged 80 or over. Clearly there is a benefit to the wider community as the supported housing service that the Association has continued to provide has enabled residents in their later years to live in a 'home for life' rather than having recourse to increasingly pressurised NHS facilities.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Achievements and Performance

Emerging gradually from the strictures of the Covid-19 pandemic, trustees were pleased to see a more sociable way of life returning for both staff and residents. Those members of staff who had largely worked from home resumed normal working practices on the premises. Residents, some of whom had experienced the isolating effects of the restrictions required to limit transmission of the Covid virus, were able to meet together as coffee mornings were reinstated.

Trustees enjoyed meeting with residents again at the Residents' Forum. Committee and Board meetings by Zoom were dispensed with as all preferred to discuss matters in person.

The major achievement during 2021-2022 was finally the installation of several replacement windows in Deed House. It took a great deal of work to bring this project to fruition as Maldon District Council insisted upon the new windows being timber despite Maldon Housing Association's care in sourcing UPVC heritage style windows that fully replicated the aesthetic nature of a period timber window. The successful conclusion of this project is a testament to the prudent control of finances that is maintained by the Finance Manager and the Finance Committee and to the considerable research by the Facilities Manager and Property Committee into affordable timber windows suitable for operation by elderly, frail residents.

Three new trustees, Mr. Neil Cornmell, Mr. Roger Perry and Mrs. Flo Shaughnessy were welcomed onto the board during the year. At the AGM, Mr Chris Tibballs' term of office ended, and trustees thanked him for his major contribution to the Association, particularly in chairing the Property Committee. Mr. Cliff Patton, who did sterling work for the property committee, also resigned during the year.

As the financial year 2021-2022 drew to a close, the position of CEO became vacant, Mrs Shields having taken the decision to resign from her role. Trustees thank her for having maintained the stability of the Association during the challenging period of safeguarding both residents and staff occasioned by the pandemic.

The Board of Trustees look forward to 2022-2023 with optimism as consideration is given to making a new appointment to the CEO role at a time when financial prudence is paramount, yet all opportunities for advancing the Association must be taken to build for future inhabitants of Maldon.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Financial review

Maldon Housing Association Limited, as part of its prudent financial planning, maintains cash reserves primarily to ensure that the organisation can continue to provide services to residents for a period of six months in the unlikely event that income is not received. In addition, the Association holds a number of financial bequests that are used to fund specific matters detailed in each individual bequest.

The Board of Trustees has agreed the following allocation of ring-fenced reserves:

Designated reserves

| | |
|--|----------|
| 6 month operational reserve | £210,000 |
| Miss B. J. Abberley bequest to be used in respect of residents' welfare | £19,499 |
| Mrs E. Mott bequest to be used for the welfare of residents in Fairfield House | £2,802 |
| Miss J. Barwell bequest to be used for the welfare of residents in Fairfield House | £1,505 |
| Miss B. Weaver bequest to be used for the welfare of residents in Fairfield House | £2,178 |
| Miss J. Jelbart donation to be used for personal items required by a resident on emergency admission to hospital | £60 |

Cash reserves increased as a result of the inability to carry out all scheduled works during the time of the pandemic. Strong cash reserves are necessary as trustees anticipate continuing to carry out major renovations in the next few years.

Cash reserves, together with day-to-day income, are invested with a number of financial institutions under the following criteria:

- The investment level in any one institution is covered by the Financial Services Compensation Act.
- Cash is available to be drawn down to meet cash flow requirements.
- The investment achieves the best financial return with a minimum level of risk.

While the Board of Trustees reviews the investment policy annually, investment performance is reviewed at both Board and Finance Committee meetings.

The surplus for the financial year ending 31 March 2022 was £103,534 (2021: £126,311).

The income for the year 2021-22, totalling £547,505 (2020: £538,223), primarily comprises weekly maintenance contributions, service charges and the release of social housing grant. The percentage increase in income (excluding grant income) compared to the previous year is 1.7%.

The increase in operational income is consistent with the Regulator of Social Housing requirements for weekly maintenance contribution increases and the Association's calculation of service charge costs.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Financial review (continued)

The expenditure during 2021-22 mainly comprises costs associated with provision of the support and alarm service, maintenance costs associated with the upkeep of the Association's properties and administrative costs. The percentage increase in these costs of 7.3% is mainly as a result of planned works not being undertaken due to planning permission delay and the unprecedented circumstances created by the pandemic during quarter 4.

Value for money

The trustees recognise the importance of providing value for money and are committed to ensuring that this is achieved on behalf of both residents and the charity. They are vigilant in regular review of processes to identify and implement improvement in services.

In April 2018, the Regulator of Social Housing introduced seven metrics against which providers may be measured.

| | Metric | 2021-22 Peer group median* | 2021-22 Actual | 2020-21 Actual | 2021-22 Target |
|-----|--|----------------------------------|-------------------|-------------------|-------------------|
| 1. | Reinvestment % | 4.1% | 6.3% | 0.8% | 7.5% |
| 2a. | New supply social housing units % | 1.5% | 0.0% | 0.0% | 0.0% |
| 2b. | New supply non-social housing units% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3. | Gearing % | 11.6% | -13.4% | -14.1% | -13.2% |
| 4. | EBITDA MRI interest cover % | 309.0% | 1607.9% | 1720.0% | 638.0% |
| 5. | Headline social housing cost per unit | £9,680 | £7,400 | £6,655 | £10,268 |
| 6a. | Operating margin per unit % (social housing lettings only) | 13.4% | 19.7% | 23.9% | 9.2% |
| 6b. | Operating margin % (overall) | 7.4% | 19.8% | 23.9% | 9.2% |
| 7. | ROCE | 3.3% | 5.4% | 6.7% | 2.6% |

* Based on the Supported Housing provider data for those with over 1,000 units per the 'Value for Money Metrics and Reporting 2021 – Annex to 2021 Global Accounts' data compiled by the Regulator of Social Housing published February 2022.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2022 (continued)

Value for money (continued)

Commentary on metrics

1. **Reinvestment %:** This looks at the investment in properties, both existing stock and new supply, as a percentage of the value of total properties held.
In 2021-22 Maldon Housing Association Limited has not invested in new stock and has received no grants for development of existing properties.
2. **New supply:** This records the number of new social housing units that have been acquired during the year as a proportion of total social housing units owned at the end of the period.
Maldon Housing Association Limited has not acquired any new social housing units during 2010-22.
3. **Gearing:** This assesses how much of the adjusted assets comprise debt and the degree of dependence on debt finance.
The gearing for Maldon Housing Association is low, illustrating low dependency on debt finance.
4. **Earnings before ITDA MRI interest cover:** This measures the level of surplus that is generated by a registered social provider compared to interest payable, avoiding distortions arising from depreciation.
Maldon Housing Association, as supported housing, has higher costs than most housing associations but this is covered by increased turnover. The Association generates high surpluses against interest payable, thus generating a high cover.
5. **Headline social housing cost per unit:** This assesses the headline social housing cost per unit as defined by the Regulator.
The social housing cost per unit for Maldon Housing Association is higher due to the supported element.
6. **Operating margin:** This demonstrates the profitability of operating assets before exceptional expenses are taken into account.
As a specialist provider, Maldon Housing Association tends to have lower margins than other housing associations. All surpluses are reinvested in maintaining the Association's property assets, fluctuating from one year to another depending upon timing of repairs and maintenance work.
7. **Return on Capital Employed:** This compares the operating surplus to total assets less current liabilities, thus assessing the efficient investment of capital resources.
The higher return on Maldon Housing Association's properties has resulted in a higher than average return on assets.

The trustees confirm that, as far as they are aware, there is no relevant audit information of which the Association's auditor is unaware. They have taken all steps required of them as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2022 (continued)

Governance and Financial Viability

The trustees confirm that Maldon Housing Association Limited has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard.

Auditors

Beever and Struthers were appointed as auditors during the period under review. A resolution proposing auditor appointment is put to the AGM.

Registered office: Fairfield House, 33 Farnbridge Road, Maldon, Essex, CM9 6AD

Approved and authorised for issue by order of the board on 27 July 2022 and signed on its behalf by:

J. M. Toffel

Mrs J Toffel
Chair

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

**STATEMENT BY THE BOARD IN RESPECT OF INTERNAL FINANCIAL CONTROL
YEAR ENDED 31 MARCH 2022**

The Board of Trustees is responsible for maintaining a system of internal financial control, for safeguarding the financial assets of the Association, for taking reasonable steps for the detection of fraud and other irregularities and for ensuring the Association's efficient operation. It is acknowledged that the system in place can provide only reasonable and not absolute assurance against material misstatement or loss. This system is reviewed regularly by the Board.

The Association applies a risk management cycle to identify, analyse, control and monitor strategic and operational risks, including fraud. A Risk Register sets out how this will be done.

Key areas of risk are

- Governance and Management / Operational / Financial;
- Environmental and External / Compliance with Law and Regulation.

Internal control audits ensure that the risk management cycle is applied. Such audits are carried out regularly, normally by two trustees or appropriate ex-trustees, a report then being submitted to the Board, aiming to ensure adequate and effective implementation of

- (i) The formal policies and procedures put in place by the Board for setting clear lines of responsibility and effective financial control over the various areas of the Association's activities;
- (ii) The procedures for the identification, preparation and adoption of an internal audit programme covering the Association's activities;
- (iii) The provision of accurate management accounts, preparation of budgets including projected balance sheets, cash flow forecasts and regular comparison of management accounts against budgets and reports on variances and the need to consider budget changes;
- (iv) The periodic review by the Board of the overall effectiveness of the system.
- (v) No internal control visits were carried out in 2021/22 due to Covid restrictions. The Chair of the Finance Committee carried out limited internal audit checks during the year. Normal practice is being resumed in 2022/23.

The Board of Trustees is pleased to report that no significant failings or weaknesses have been found during the year under review which have resulted, or are considered likely to result, in any material loss, contingency or uncertainty. Any minor suggestions for improvement have been absorbed as part of the Association's procedures.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON HOUSING ASSOCIATION LIMITED YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Maldon Housing Association Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income (including income and expenditure account), the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 6 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON HOUSING ASSOCIATION LIMITED (continued) YEAR ENDED 31 MARCH 2022

Other information

The other information comprises the information included in the Chair's Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The Board is 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON HOUSING ASSOCIATION LIMITED (continued) YEAR ENDED 31 MARCH 2022

Matters on which we are required to report by exception (continued)

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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 Company'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 Company or to cease operations, or has 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON HOUSING ASSOCIATION LIMITED (continued) YEAR ENDED 31 MARCH 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company'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 Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Hatchman ACA (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Statutory Auditor
15 Bunhill Row
London
EC1Y 8LP

20 September 2022

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

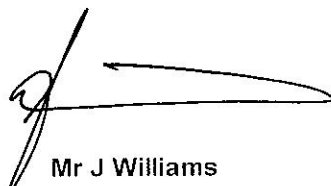
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2022

| | | Notes | |
|--|----------|----------------------------------|----------------------------------|
| | | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
| Turnover | 2 | 547,505 | 538,223 |
| Operating expenditure | 2 | (439,327) | (409,608) |
| Gain/(loss) from sale of fixed assets | 7 | - | - |
| Operating Surplus / (Deficit) | | 108,178 | 128,615 |
| Other interest receivable and similar income | 4 | 2,167 | 4,748 |
| Interest payable and similar charges | 5 | (6,811) | (7,052) |
| Surplus / (Deficit) for the year and total comprehensive income | 6 | 103,534 | 126,311 |

The financial statements on pages 19 to 38 were approved by the Board of Trustees on 27 July 2022 and were signed on its behalf by:

J. n. Toffel

Mrs J Toffel
Chair



Mr J Williams
Chair of Finance Committee

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 23 to 38 form an integral part of these financial statements.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

Company Registration Number: 05972159

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022

| | Notes | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|--|-------|-------------------------------------|-------------------------------------|
| Fixed assets | | | |
| Housing properties | 8 | 1,444,009 | 1,370,493 |
| Other fixed assets | 9 | 7,497 | 7,617 |
| | | <u>1,451,506</u> | <u>1,378,110</u> |
| Current assets | | | |
| Investments | 10 | 339,804 | 338,580 |
| Debtors | 11 | 23,843 | 14,594 |
| Cash and cash equivalents | | 269,774 | 272,457 |
| | | <u>633,421</u> | <u>625,631</u> |
| Creditors: amounts falling due within one year | 12 | <u>(79,493)</u> | <u>(75,381)</u> |
| Net current assets | | <u>553,928</u> | <u>550,250</u> |
| Creditors: amounts falling due after more than one year | 13 | <u>(645,727)</u> | <u>(672,187)</u> |
| Net assets | | <u>1,359,707</u> | <u>1,256,173</u> |
| Capital and reserves | | | |
| Income and expenditure account | | <u>1,359,707</u> | <u>1,256,173</u> |
| Total Reserves | | <u>1,359,707</u> | <u>1,256,173</u> |

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

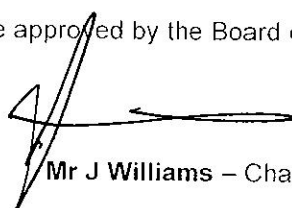
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The charitable company however has been audited under the Charities Act 2011.

The financial statements on pages 19 to 38 were approved by the Board of Trustees on 27 July 2022 and were signed on its behalf by:

J. n. Toffel

Mrs J Toffel - Chair



Mr J Williams – Chair of Finance Committee

The notes on pages 23 to 38 form an integral part of these financial statements.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 MARCH 2022

| | Income and Expenditure Reserve £ | Total £ |
|--|---|------------------|
| Balance as at 1 April 2020 | 1,129,862 | 1,129,862 |
| Surplus / (deficit) from Statement of Comprehensive Income | 126,311 | 126,311 |
| | <hr/> | <hr/> |
| Balance as at 31 March 2021 | 1,256,173 | 1,256,173 |
| Surplus / (deficit) from Statement of Comprehensive Income | 103,534 | 103,534 |
| | <hr/> | <hr/> |
| Balance as at 31 March 2022 | 1,359,707 | 1,359,707 |
| | <hr/> | <hr/> |

The notes on pages 23 to 38 form an integral part of these financial statements.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|---|-------|----------------------------------|----------------------------------|
| Net cash generated from operating activities (see Note i) | i | 100,216 | 134,339 |
| Cash flow from investing activities | | | |
| Payments to acquire investments | | - | (83,000) |
| Payments to acquire tangible fixed assets | | (94,567) | (7,381) |
| Proceeds from sale of tangible fixed assets | | - | - |
| Interest received | | 2,167 | 4,748 |
| | | <u>(92,400)</u> | <u>(85,633)</u> |
| Cash flow from financing activities | | | |
| Interest paid | | (6,811) | (7,052) |
| Repayment of borrowings | | (3,688) | (3,431) |
| | | <u>(10,499)</u> | <u>(10,483)</u> |
| Net change in cash and cash equivalents | | (2,683) | 38,223 |
| Cash and cash equivalents at beginning of the year | | 272,457 | 234,234 |
| Cash and cash equivalents at end of the year | | <u>269,774</u> | <u>272,457</u> |
| Components of cash: | | | |
| Cash at bank and at hand | | 269,774 | 272,457 |
| Note i: | | | |
| Cash flow from operating activities | | | |
| Surplus / (deficit) for the year | | 103,534 | 126,311 |
| Adjustments for non-cash items: | | | |
| Depreciation of tangible fixed assets | | 20,639 | 13,652 |
| Decrease / (increase) in trade and other debtors | | (9,249) | 448 |
| Increase / (decrease) in trade and other creditors | | 1,903 | 12,879 |
| Adjustments for investing or financing activities: | | | |
| Government grants amortised in the year | | (21,255) | (21,255) |
| Interest payable | | 6,811 | 7,052 |
| Interest receivable | | (2,167) | (4,748) |
| Net cash generated from operating activities | | <u>100,216</u> | <u>134,339</u> |

The notes on pages 23 to 38 form an integral part of these financial statements.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

Legal Status

The Association is registered in England and Wales under the Companies Act 2006, registered number 05972159 as a company limited by guarantee and was incorporated in England on 19 October 2006. It is also registered as a Registered Provider of Social Housing under Section 13 of the Housing Act 1974 for the purpose of receiving grants and other forms of assistance. The Association registered with the Charity Commission on 7 August 2007. Its registered office is Fairfield House, 33 Fambridge Road, Maldon, Essex, CM9 6AD.

1 Principal Accounting Policies

(a) Basis of accounting

The principal accounting policies of the Association are set out in the following paragraphs. These financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP), FRS 102 and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are prepared on the historical cost basis of accounting except for investments which are held at fair value, and are presented in sterling £.

The Association's financial statements have been prepared in compliance with FRS 102. The Association transitioned from previous UK GAAP to FRS 102 as at 1 January 2014 and subsequently adopted the Housing SORP: 2018 update – Statement of Recommended Practice for registered social housing providers as at 1 January 2019.

As a public benefit entity, Maldon Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

(b) Going Concern

After reviewing the entity's forecasts, projections and COVID-19, the Trustees have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. The entity therefore continues to adopt the going concern basis in preparing its financial statements.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022 (continued)

1 Principal Accounting Policies (continued)

(c) Judgements and key sources of uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- a) Categorisation of housing properties. The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals.
- b) Impairment. The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

- a) Tangible fixed assets. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b) Fair value of Financial Instruments. Changes in the fair value of financial instruments are recognised in profit or loss for the period.

(d) Turnover

As the Association is registered as an Almshouse, it does not receive rent, but WMC (weekly maintenance contributions). Turnover represents weekly maintenance contributions, service charges and support services and income receivable net of voids. It also includes the release of deferred Social Housing Grant income [see 1(e)]. Maintenance contribution income is recognised when the property is available for let, net of voids.

MALDON HOUSING ASSOCIATION LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022 (continued)

1 Principal Accounting Policies (continued)

(e) Social Housing and other Government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

(f) Finance costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

(g) Taxation

Maldon Housing Association Limited is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Maldon Housing Association Limited is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, s.478 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 its charitable purposes.

(h) VAT

The Association is not registered for VAT. All amounts disclosed in the financial statements are inclusive of VAT.

(i) Tangible fixed assets and depreciation

Housing Properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Freehold housing properties are stated at cost together with incidental costs of acquisition, administration costs and interest up to the date of completion.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

1 Principal Accounting Policies (continued)

Housing Properties (continued)

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic lives as below:

| | |
|------------|-----------|
| Structure | 100 years |
| Roof | 70 years |
| Windows | 30 years |
| Bathroom | 15 years |
| Kitchen | 10 years |
| Boiler | 15 years |
| Electrical | 40 years |

Amounts are capitalised where required by the Statement of Recommended Practice. In doing so their useful economic lives are considered for the purposes of depreciation. Amounts capitalised are included within the fixed asset note whilst items of a revenue nature are charged to the Statement of Financial Activities. Historically, component additions purchased by the Association have been offset against grants received for these purposes.

Other fixed assets

Office furniture, fittings and equipment are stated at cost and depreciated over their expected economic useful lives at the following annual rates:

| | |
|-----------------------------------|---------------------|
| Furniture, fittings and equipment | - 20% straight line |
| Computer equipment | - 25% straight line |

Equipment with a short life such as washing machines, televisions, fridges and cookers are accounted for on a replacement basis.

(j) Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently remeasured to market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

(k) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

1 Principal Accounting Policies (continued)

(l) Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the Association are classified as follows:

- a. Cash is held at cost.
- b. Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method
- c. Financial liabilities such as creditors and loans are held at amortised cost using the effective interest method.

(m) Reserves

The Association transitioned from preparing financial statements in accordance with the Charities SORP, to the SORP for social housing providers 2014, as at 1 April 2017. The Housing SORP 2018 has subsequently been adopted. The Housing SORP 2018 does not permit the use of designated funds, for the purpose of this SORP such designations are considered to be an internal matter and do not require disclosure in the primary statements. The financial statements ongoing will show one income and expenditure reserve for all activities of the Association.

(n) Loans

Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

(o) Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned within the Statement of Comprehensive Income on the basis of the costs of the staff directly engaged on the operations dealt with in these financial statements.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

1 Principal Accounting Policies (continued)

(p) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(q) Cash and cash equivalents

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

(r) Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

2 TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

| | 2022 | | |
|--|----------------|-------------------------------|---------------------------|
| | Turnover £ | Operating expenditure £ | Operating surplus £ |
| Social housing income (Note 3) | 547,380 | 439,327 | 108,053 |
| Activities other than social housing Other Income | 125 | - | 125 |
| Total | 547,505 | 439,327 | 108,178 |
| | 2021 | | |
| | Turnover £ | Operating expenditure £ | Operating surplus £ |
| Social housing income (Note 3) | 538,223 | 409,608 | 128,615 |
| Activities other than social housing Other Income | - | - | - |
| Total | 538,223 | 409,608 | 128,615 |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

3 TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Income from social housing lettings | | |
| Maintenance contributions | 279,070 | 267,159 |
| Service charge income | 246,838 | 245,335 |
| Amortised government grant | 21,255 | 21,255 |
| CJRS grant | 217 | 4,474 |
| Total income from lettings | <u>547,380</u> | <u>538,223</u> |
| Expenditure on housing | | |
| Service costs | 191,546 | 198,724 |
| Management costs | 141,526 | 122,587 |
| Routine maintenance costs | 42,374 | 48,022 |
| Planned maintenance costs | 46,335 | 28,791 |
| Major repairs | - | - |
| Property depreciation | 17,546 | 11,484 |
| Total expenditure on lettings | <u>439,327</u> | <u>409,608</u> |
| Operating surplus | <u>108,053</u> | <u>128,615</u> |
| Void losses | 4,753 | 9,222 |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 | 2021 |
|----------------------|--------------|--------------|
| | £ | £ |
| Interest on deposits | <u>2,167</u> | <u>4,748</u> |

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2022 | 2021 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Nationwide Building Society loan | 1,058 | 1,250 |
| Orchardbrook loan | <u>5,753</u> | <u>5,802</u> |
| | <u>6,811</u> | <u>7,052</u> |

6 SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| The operating surplus is stated after charging/(crediting):- | | |
| Auditors remuneration (excluding VAT) | | |
| In their capacity as auditors | 6,105 | 5,820 |
| In respect of other services | 1,085 | 1,035 |
| Depreciation of Housing Properties | 17,546 | 11,484 |
| Depreciation of Other Fixed Assets | <u>3,093</u> | <u>2,168</u> |

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.

7 GAIN/ (LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

| | 2022 | 2021 |
|----------------------------------|----------|----------|
| | £ | £ |
| Proceeds of sales | - | - |
| Less: Carrying value at disposal | <u>-</u> | <u>-</u> |
| Gain/(loss) on disposal | <u>-</u> | <u>-</u> |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

8 HOUSING PROPERTIES

| | Total Completed Properties £ |
|---|---|
| Cost | |
| At 1 April 2021 | 1,952,031 |
| Additions | 91,594 |
| Disposals | (22,847) |
| At 31 March 2022 | 2,020,778 |
| Depreciation | |
| At 1 April 2021 | 581,538 |
| Charge for the year | 17,546 |
| Released on disposals | (22,315) |
| At 31 March 2022 | 576,769 |
| Net Book value | |
| At 31 March 2022 | 1,444,009 |
| At 31 March 2021 | 1,370,493 |
| Works to existing properties in the year | |
| Improvement works capitalised | |
| Components capitalised | 91,594 |
| Amounts charged to expenditure | 46,335 |

Although fixed assets are not revalued, the Trustees are satisfied that the aggregate value of assets is in excess of the value included in the financial statements.

The carrying amount of housing properties pledged as securities is £1,020,806 (2021: £996,237).

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

9 OTHER FIXED ASSETS

| | Furniture, fittings and equipment £ | Computer equipment £ | Total £ |
|-------------------------|---|----------------------------|---------------|
| Cost | | | |
| At 1 April 2021 | 54,107 | 4,722 | 58,829 |
| Additions | 1,099 | 1,874 | 2,973 |
| Disposals | - | - | - |
| At 31 March 2022 | 55,206 | 6,596 | 61,802 |
| Depreciation | | | |
| At 1 April 2021 | 49,225 | 1,987 | 51,212 |
| Charge for the year | 1,735 | 1,358 | 3,093 |
| Released on disposals | - | - | - |
| At 31 March 2022 | 50,960 | 3,345 | 54,305 |
| Net Book Value | | | |
| At 31 March 2022 | 4,246 | 3,251 | 7,497 |
| At 31 March 2021 | 4,882 | 2,735 | 7,617 |

10 CURRENT ASSET INVESTMENTS

| | 2022 £ | 2021 £ |
|---------------------------|-----------|-----------|
| Current Asset Investments | 339,804 | 338,580 |

11 DEBTORS

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|---------------|
| Maintenance charge arrears | 1,031 | 882 |
| Other debtors and prepayments | 22,812 | 13,712 |
| | 23,843 | 14,594 |

All debtors are due within one year. No loans have been made or are outstanding to Board members, officials or employees.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Loans (note 13) | 3,902 | 2,385 |
| Trade creditors | 20,856 | 21,092 |
| Other creditors and accruals | 20,301 | 27,351 |
| Taxation and social security | 11,932 | (448) |
| Deferred capital grant (note 14) | 21,255 | 21,255 |
| Prepaid maintenance contribution charge | 1,247 | 3,746 |
| | <u>79,493</u> | <u>75,381</u> |

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Deferred capital grant (note 14) | 573,873 | 595,128 |
| Loans | 71,854 | 77,059 |
| | <u>645,727</u> | <u>672,187</u> |
| Total loans | | |
| Orchardbrook | 52,539 | 53,039 |
| Nationwide Building Society | 23,217 | 26,405 |
| | <u>75,756</u> | <u>79,444</u> |
| Loan payments due within one year | 3,902 | 2,385 |
| Loan payments due after more than one year : | | |
| - Repayable in one to two years | 3,962 | 2,442 |
| - Repayable in two to five years | 11,994 | 7,736 |
| - Repayable after five years (all repayable by instalments) | 55,898 | 66,881 |
| | <u>75,756</u> | <u>79,444</u> |

The loan advanced by Orchardbrook to finance the development of housing land and buildings will be repayable by equal annual instalments over 60 years, the last instalment of which falls to be repaid on 31 August 2045. Interest is charged at a rate of 10.875% per annum.

The Nationwide Building Society loan was initially taken out in September 1993 in order to redeem the loans with the Housing Corporation (effectively now Homes England) and the local authority and to finance the cost of new windows for Berridge House. The loan is for 35 years, the last instalment of which falls to be repaid on 31 August 2028. The interest rate is variable.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

14 DEFERRED CAPITAL GRANT

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| At 1 April | 616,383 | 637,638 |
| Released to income in the year | (21,255) | (21,255) |
| | <hr/> | <hr/> |
| At 31 March | 595,128 | 616,383 |
| Amount due to be released < 1 year | 21,255 | 21,255 |
| Amount due to be released > 1 year | 573,873 | 595,128 |
| | <hr/> | <hr/> |
| The total accumulated government grant | 595,128 | 616,383 |
| The total accumulated government grant and financial assistance received or receivable at 31 March: | 1,062,733 | 1,062,733 |

15 COMPANY LIMITED BY GUARANTEE

The company does not have share capital and is limited by the guarantee of its nine members. If the company is dissolved while each person remains a member, or within twelve months afterwards, each member promises to pay up to £10 towards the costs of dissolution and the liabilities incurred by the company while he or she was a member.

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

16a. WAGES AND SALARIES

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs during the year | | |
| Wages and salaries | 193,527 | 194,370 |
| Agency costs | 11,185 | - |
| Social security costs | 9,978 | 9,141 |
| Pension contributions | 1,560 | 1,717 |
| | <u>216,250</u> | <u>205,228</u> |
| The average number of persons employed by the Association during the year was | 12 | 12 |
| | <u>7</u> | <u>6</u> |
| The average number of persons employed by the Association on a full time equivalent basis (based on 35 hour week), during the year was | | |

There were no full time equivalent staff whose remuneration exceeded £60,000 in the year (2021: None)

16b. KEY MANAGEMENT PERSONNEL REMUNERATION

| | 2022 | 2021 |
|---|--------|--------|
| | £ | £ |
| The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive Directors | - | - |
| The aggregate emoluments paid to or receivable by Key Management Personnel | 53,921 | 46,018 |
| The aggregate compensation paid to or receivable by Key Management Personnel | 53,921 | 46,018 |
| The emoluments paid to the highest paid Key Management Personnel excluding pension contributions | 53,921 | 46,018 |
| The aggregate amount of Key Management Personnel or past Key Management Personnel pensions, excluding amounts payable under a properly funded pension scheme | - | - |
| The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director or Key Management Personnel | - | - |
| The aggregate amount of any consideration payable to Directors or Key Management Personnel for loss of office | - | - |

The Chief Executive is not a current or past member of the pension scheme.

None of the Board of Directors/Trustees received remuneration in the year (2021: £nil). Directors/Trustees had £0 expenses reimbursed during the year (2021: £nil).

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

17 ACCOMMODATION IN MANAGEMENT

| | 2022 | 2021 |
|--|-----------|-----------|
| Number of units of housing accommodation | | |
| Supported housing and housing for older people | <u>57</u> | <u>57</u> |

18 CONTROL

The Association is controlled by the Board of Trustees. No one individual has overall control.

19 OPERATING LEASE COMMITMENTS

At 31 March 2022, the company had no commitments held under operating leases (2021: none).

20 CAPITAL AND OTHER COMMITMENTS

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 75,006 | 56,000 |
| Capital expenditure that has been authorised by the Board but has not yet been contracted for | 80,000 | 5,000 |

The Association expects these commitments to be contracted within one year and will be financed with available cash funds.

21 RELATED PARTIES

There were no related party transactions that required disclosure in the year to 31 March 2022 (2021: none).

22 ANALYSIS OF CHANGES IN NET DEBT/(FUNDS)

| | 2021 £ | Cashflows £ | 2022 £ |
|-------------------------------|------------------|----------------|------------------|
| Loan borrowings | 79,444 | (3,688) | 75,756 |
| Total liabilities | <u>79,444</u> | <u>(3,688)</u> | <u>75,756</u> |
| Cash and cash equivalents | (272,457) | 2,683 | (269,774) |
| Total net debt/(funds) | <u>(193,013)</u> | <u>(1,005)</u> | <u>(194,018)</u> |

MALDON HOUSING ASSOCIATION LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022 (continued)

23 FINANCIAL INSTRUMENTS

The Association's financial instruments may be analysed as follows:

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| <u>Financial Assets:</u> | | |
| Financial Assets Measured at Cost | | |
| Cash and cash equivalents | 269,774 | 272,457 |
| Financial Assets Measured at Amortised Cost | | |
| Maintenance charge arrears | 1,031 | 882 |
| Other debtors | 914 | 914 |
| Current asset investments | 339,804 | 338,580 |
| Total Financial Assets | <u>611,523</u> | <u>612,883</u> |
| <u>Financial Liabilities:</u> | | |
| Financial Liabilities Measured at Amortised Cost | | |
| Maintenance charge creditors | 1,247 | 3,746 |
| Trade and other creditors | 41,859 | 48,478 |
| Housing loans payable | 75,756 | 79,444 |
| Total Financial Liabilities | <u>118,862</u> | <u>131,668</u> |