

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

REGISTERED RSH NO. L0461

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

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WALTHAM FOREST HOUSING ASSOCIATION LIMITED

BOARD MEMBERSHIP AND ADVISORS

Board	Duncan Howard (Chair) (stepped down at end of tenure Nov'22) Dale Walker (Chair from Nov'22) Marina Robertson (Vice - Chair) Emma Brett (Treasurer) (stepped down at end of tenure Nov'22) Ben Hutton (Treasurer from Nov'22) Richard F Sanders (resigned Jan'23) Maggie McCann Josephine Parsons Joe Mensah-Dankwah (stepped down at end of tenure Nov'22) Nevil Osborne (stepped down at end of tenure Nov'22) Gareth Jones (elected Nov'22) Ayo Akinwale (elected Nov'22) Chanelle Rowe (elected Nov'22) Tyron Julien (elected Nov'22)
Chief Executive	Shahron Shah
Secretary	Michael Pughsley
Registered Office	Energy Centre 31 Church Hill London E17 3RU
Bankers	Lloyds Bank plc 39 Threadneedle Street, London, EC2R 8AU
Auditors	Knox Cropper Chartered Accountants 5 th floor, Leadenhall Street London EC3A 2AD
Regulator of Social Housing Registered Number	L0461
Co-operative and Community Benefit Society Number	21186R

WALTHAM FOREST HOUSING ASSOCIATION LIMITED BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2023

1. Principal activity

Waltham Forest Housing Association (WFHA) is a registered provider of social housing. We have operated solely in the London Borough of Waltham Forest for sixty years.

We currently own 329 homes; 155 general needs, 152 sheltered housing, 21 supported housing and 1 leased to another provider to house young homeless people.

The supported housing units are provided in partnership with Outward Housing and Outlook Care who are specialist organisations in supporting people with learning disabilities and autism.

All our homes are provided at social rent.

We have a small development pipeline of 21 new homes in the north of the Borough.

We are a community focussed, values-based, tenant-centric organisation with an excellent reputation for “punching above our weight”.

Our vision: WFHA is working to deliver a future where everyone, in every community we serve, has a safe, truly affordable home and great life chances in a society where they are valued and respected.

Our values:

- We **RESPECT*** people and communities through our belief in equality, inclusion and the value of diversity. We believe we have more in common than things that separate us.
- We **EMPOWER** people and communities by maximising strengths and opportunities and building resilience.
- We are **AMBITIOUS**, constantly improving, delivering better value for money and striving to provide more homes and services.
- We **CARE** about what we do, step up to take responsibility and are passionate about our social purpose and making a positive difference.
- We are **HONEST**, act with integrity and are accountable to our tenants, our partners and each other.

*Changed to the following wording in July 2023:

- We **Respect** people and communities through our belief in equality, inclusion and the value of diversity. We believe that structural inequalities in our society create systemic disadvantages. We are an anti-racist organisation with zero tolerance to discrimination.

2. Performance

In 2022/23 WFHA achieved an operating surplus of £306,620 (compared to £118,725 in 2021/22).

Following an appraisal of the performance of all of our properties, we sold one unit, our poorest performing, during the year. The sale achieved £265K (net) and made a significant contribution to our surplus in an extremely challenging year.

We were able to reduce staffing costs and achieve savings that will be seen from 2023/24, however, consultancy costs increased, in part to achieve those savings. The overall effect was an increase in management costs of £134K; from £909,440 in 2021/22 to £1,043,118 in 2022/23.

Although our revenue spend on planned and routine maintenance decreased by £84K (from £462,687 in 2021/22 to £378,196 in 2022/23), our planned capital spend increased by £242K compared to previous year's capital spend. In addition to our programme of replacement kitchens, bathrooms and windows, plus a new roof, this included development costs of £180K and wall insulation of £82K.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

In 2022/23 we successfully implemented agile working, a new housing management and finance system and an outsourced finance function.

We achieved a satisfaction rate of 94% with our repairs service, which is significantly higher than the benchmark median of 83%.

Critically, as at end March 2023, we achieved 100% compliance against landlord health and safety requirements with the exception of four gas safety checks where access was an issue. The four checks were completed shortly after.

We have EPC certificates for all homes except three and are delivering on our sustainability agenda.

Rent arrears at 31 March stood at 3%, against a benchmark median of 3%, however, our arrears reduced to 2.5% in April 2023.

We maintained 100% compliance with loan covenants during the year.

3. Board effectiveness

Having come to the end of their tenure, four Board members resigned in the year, including our Chair. Our succession plan was delivered leading to appointment of a new Chair, a new Treasurer, election of four new Board members and increased diversity on Board.

In the year we updated our Governance framework, including terms of reference for committees, held two successful Board strategy days and adopted the Social Housing Anti-Racism Pledge (SHARP).

Board member appraisals commence in September 2023 an external governance review will be commissioned for early 2024.

4. Tenant involvement

During 2021/22 our Tenant Scrutiny Panel (TSP) was comprised of three tenants. Despite our best and varied efforts to recruit additional members, the Panel was dissolved in 2022/23 as it was agreed that its ongoing effectiveness would be limited. During its existence the Panel approved our new Tenant Service Standards and members continue to be involved e.g., in delivering our new Tenant Portal.

Whilst we would like to maintain a TSP as a key element of our governance arrangements, we accept that it's something providers of our size often struggle to achieve.

During 2022/23 all tenants were invited to participate in scheme meetings and estate & voids inspections and to raise complaints. In the year we received five complaints, all of which were closed at stage one, and ten compliments.

Going forward we will continue to make every effort to recruit additional involved tenants and will identify and deliver other routes to involvement.

In 2023/24 we are surveying our tenants to gauge their perception of what we provide through the Regulator's new Tenant Satisfaction Measures and will report on our results and responses in due course.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

5. Value for Money

5.1 Our Value for Money Strategy

Our Value for Money Strategy commits us to delivering economy, efficiency, effectiveness and equity, and is mapped to our Business Plan for 2021/24, the objectives of which are:

1. Improved accountability
2. Safe and good quality homes and services
3. Environmental sustainability
4. A stronger organisation

5.2 Regulator of Social Housing (RSH) Value for Money metrics

RSH metric		Achieved 2021/22	Achieved 2022/23	Target 2022/23	Benchmark 2022/23	Target 2023/24
1	Reinvestment	5.64%	5.56%	5%	3.65%	6%
2	New supply	0%	0%	0%	0%	0%
3	Gearing	1.89%	4.10%	5.2%	14.54%	5%
4	EBITDA interest cover	903%	568%	223%	152%	300%
5	Cost per unit	£6,008	£6,386	£5,500	£6,787	£6,600
6	Operating margin: Social housing	5.68%	3.43%	9.18%	11.4%	11.4%
	Overall	7.80%	3.81%	8.95%	10.3%	10.3%
7	ROCE	1.22%	2.39%	2.93%	1.80%	1.40%

Key points:

- a. The benchmarks for 2022/23 are taken from the Acuity Benchmarking Report 2022/23 (published June 2023).
- b. The Regulator acknowledges that the continuing effects of Brexit and the COVID-19 pandemic were still being felt in 2022/23, adding to existing and new pressures on the sector, namely:
 - the effect of rising inflation and supply chain pressures
 - uncertainty around the rent settlement
 - political and environmental imperatives of addressing climate change, and
 - the conflict in Ukraine.

And, that these pressures have caused costs to increase, operating margins to fall and have impacted negatively on Value for Money targets.
- c. Operating margin demonstrates the profitability of operating assets, before exceptional expenses are taken into account.

RSH benchmarking data shows that associations with large proportions of Supported Housing or Housing for Older People (such as WFHA) tended to record lower operating margins (by around 10 percentage points), compared to those with smaller proportions of HOP or none at all - our targets for 2023/24 were set accordingly.

We are disappointed with our results but acknowledge that higher than anticipated inflationary costs and a reduction in rent impacted on the results for the year. In addition, we invested in new accounting and housing management systems and reduced our senior management posts in the financial year. There is further work for us to do in improving the profitability of our social housing assets and we have plans in place to increase our operating margin.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

- d. Cost per unit remains high due in part to our location and our efforts to reduce management costs going forward and our continuing investment in our housing stock.
- e. The Association continues to invest in its housing properties and some of the previously deferred planned works were completed during the year which impacted on the performance in the year.
- f. The Association has low levels of historic debt finance and significant balance sheet capacity in order to leverage finance to deliver future development plans. We have a facility of £5m from Handelsbanken of which we have drawn down £500,000 to date.

6. Compliance with the Regulatory Framework and Code of Governance

The Association is compliant with the Governance and Financial Viability Standard as set out by the Regulator of Social Housing.

The Association has elected to adopt the principles of the new National Housing Federation's Code of Governance (2020) and was compliant by 31 March 2023.

7. Statement of Board responsibilities in respect of the accounts

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period.

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper books of account that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy, at any time, the Association's financial position and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Board is responsible for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of corporate and financial information included in the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FOR THE YEAR ENDED 31 MARCH 2023

8. Internal controls

The Board is responsible for the Association's system of internal control, and recognises that such a system can provide reasonable, but not absolute, assurance against material misstatement or loss.

The main features of the internal financial control system are:

- written standing orders and financial regulations which delineate responsibilities and levels of authorities
- annual budgets, set in the context of a longer-term business plan with clear accountability for control of each part of the budget
- formal budgetary control arrangements with a quarterly reporting cycle
- Board approval of the parameters under which new investments in properties are entered into
- an independent internal audit function working to a risk-based audit plan

The Board has reviewed the effectiveness of the system of internal control over the past year and satisfied that internal controls are effective.

9. Risk management

The executive team regularly update the risk register which, in the form of a risk map, is reviewed by the Finance Audit and Risk Committee (FARC) and formally approved by the Board annually. New and emerging risks are reported at each meeting of FARC.

Going concern

At 31 March 2023, the Association has a strong positive balance sheet with cash of £531,160 (2022: £902,523) and net current assets of £861,286 (2022: £823,801). The Association's medium-term cash flow is regularly reviewed by the Board and has been tested in order to determine its durability to anticipated increases in rental arrears and void periods as a result of the current economic climate. These demonstrate that the Association will be able to operate within its available resources and will be in compliance with all current loan covenants.

As such, the Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Therefore, the Association continues to adopt the going concern basis in preparing the financial statements.

10. Disclosure of information to the auditor

In the case of each person who was a Board member at the time this report was approved, so far as each member is aware:

- There was no relevant audit information of which the Association's auditor was unaware; and
- Each member had taken all steps that the member ought to have taken as a member to make herself or himself aware of any relevant audit information and to establish that the Association's auditor was aware of that information.

By order of the Board



Ben Hutton
Signed on 21/09/23 @ 18:39

Ben Hutton
Board member and Treasurer
Date: 2023-09-21

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Waltham Forest Housing Association for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the financial statements, 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 Waltham Forest Housing Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the board report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 83 of the Co-operative and Community Benefit Society Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Co-operative and Communities Benefit Societies Act 2014, and the Housing and Regeneration Act 2008.
- We understood how the Association is complying with those frameworks via communication with those charged with governance, together with the review of the Association's documented policies and procedures.
- We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with revenue recognition, application of accounting estimates and management override of controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the Association's recognition of income to the terms of tenancy agreements, reviewing the assumptions used and controls applied in the calculation of accounting estimates, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the board members with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Association.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED (CONTINUED)

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.

Use of our report

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



Knox Cropper LLP

**Chartered
Accountants
Statutory Auditor**

**65 Leadenhall
Street
London**

EC3A 2AD

Date: 22 September 2023

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	2,628,118	2,571,824
Operating costs	3	(2,535,333)	(2,391,533)
Gain on disposal of housing properties	5	265,155	-
Operating surplus		357,940	180,291
Interest receivable	6	1,414	604
Interest payable	7	(52,734)	(62,170)
Surplus for the year	4	306,620	118,725
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension plan for the year	21	(48,000)	80,000
Total comprehensive income for the year		258,620	198,725

All amounts relate to continuing activities.

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible fixed assets	10	77,894	-
Tangible fixed assets - Housing properties	11	13,886,979	13,837,224
Other tangible fixed assets	13	139,333	159,593
		<hr/>	<hr/>
		14,104,206	13,996,817
Current assets			
Debtors	14	825,086	656,351
Cash and cash equivalents		531,160	902,523
		<hr/>	<hr/>
		1,356,246	1,558,874
Creditors			
Amounts falling due within one year	15	(494,960)	(735,073)
		<hr/>	<hr/>
Net current assets		861,286	823,801
		<hr/>	<hr/>
Total assets less current liabilities		14,965,492	14,820,618
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	15	7,180,402	7,303,148
Provisions for liabilities	18, 21	153,000	144,000
		<hr/>	<hr/>
		7,333,402	7,447,148
Capital and reserves			
Called-up share capital	19	19	19
Revenue reserves	20	7,632,071	7,373,451
		<hr/>	<hr/>
		14,965,492	14,820,618
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were issued and approved by the Board of Management on 21
and were signed on its behalf by:

2023



Dale Walker
Signed on 21/09/23 @ 18:26

Dale Walker
Board Member



Ben Hutton
Signed on 21/09/23 @ 18:39

Ben Hutton
Treasurer



Michael Pughsley
Signed on 21/09/23 @ 18:38

Michael Pughsley
Secretary

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital £	Revenue Reserves £	Total £
Balances at 1 April 2021	19	7,174,726	7,174,745
Total comprehensive income for the year	-	198,725	198,725
Balances at 31 March 2022	19	7,373,451	7,373,470
Total comprehensive income for the year	-	258,620	258,620
Balances at 31 March 2023	19	7,632,071	7,632,090

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Net cash generated from operating activities	A	21,218	192,541
<hr/>			
Cash flow from investing activities			
Interest received		1,414	604
Proceeds from sale of fixed assets		584,501	
Purchase of tangible fixed assets		(846,042)	(731,571)
<hr/>			
Net cash used in investing activities		(260,127)	(730,967)
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Cash flow from financing activities			
Interest paid		(68,718)	(56,170)
New bank loan		-	500,000
Repayment of borrowings		(63,736)	(184,200)
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Net cash used in financing activities		(132,454)	259,630
<hr/>			
Net decrease in cash and cash equivalents		(371,363)	(278,796)
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Cash and cash equivalents at beginning of year		902,523	1,181,319
<hr/>			
Cash and cash equivalents at end of year	B	531,160	902,523
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WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

A. Reconciliation of operating surplus to cash generated by operations

	2023 £	2022 £
Surplus for the year	306,620	118,725
Profit on disposal of housing properties	(265,155)	20,286
Interest receivable	(1,414)	(604)
Interest payable	52,734	62,170
Depreciation charge on tangible fixed assets	455,265	447,627
(Increase)/Decrease in debtors	(148,750)	(316,492)
Loss on write-off of other fixed assets	7,342	
(Decrease)/Increase in creditors	(255,751)	4,227
Net employer contribution after administration costs	(43,000)	(56,000)
Amortisation of government grant	(86,673)	(87,398)
	<hr/>	<hr/>
Net cash generated from operating activities	21,218	192,541
	<hr/> <hr/>	<hr/> <hr/>

B. Reconciliation of net debt

	At 1 April 2022 £	Cashflows £	Other non- cash changes £	At 31 March 2023 £
Cash at bank and in hand	902,523	(371,363)	-	531,160
Borrowings due within 1 year	(63,736)	63,736	(70,289)	(70,289)
Borrowings due in more than 1 year	(1,101,188)	-	70,289	(1,030,899)
	<hr/>	<hr/>	<hr/>	<hr/>
	(262,401)	(307,627)	-	(570,028)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES

1.1 General Information

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

A description of the nature of the Association's operations and its principal activity is disclosed in the Board Report on page 3.

The Association's registered office is Energy Centre, 31 Church Hill, London, E17 3RU.

1.2 Basis of Accounting

The accounts are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Housing SORP 2018 "Statement of Recommended Practice for registered social housing providers 2018" ("the SORP") and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

1.3 Going concern

At 31 March 2023, the Association has cash of £531,160 (2022: £902,523) and net current assets of £861,286 (2022: £823,801). The Association's medium-term cash flow is regularly reviewed by the Board and has been tested in order to determine its durability to anticipated increases in rental arrears and void periods as a result of the ongoing economic crisis. These demonstrate that the Association will be able to operate within its available resources and will be in compliance with all current loan covenants.

As such, the Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Therefore, the Association continues to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover represents rental and service charge income, certain revenue grants, management fees and other income. Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within creditors in the Balance Sheet.

Revenue grants are accounted for once the Association is legally entitled to the grant and there is reasonable assurance that the grant will be received. The grant is recognised within income in line with the expenditure which it funds.

Other income is accounted for on the basis of the value of goods or services supplied during the period.

1.5 Property managed by agents

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

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.6 Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease, including where payments are not required to be made on a straight-line basis. Lease incentives are similarly spread on a straight-line basis over the relevant lease terms.

1.7 Taxation

The Association has charitable status and is therefore not subject to Corporation tax on the surplus arising from charitable activities. The Association is not registered for VAT and is not able to recover any part of the VAT it incurs. Unrecoverable VAT is included with the costs on which it is charged.

1.8 Intangible assets

Computer software is carried at cost less accumulated amortisation and impairment losses. Cost associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Association are recognised as intangible assets when the criteria as follows is met:

- it is technically feasible to complete the software so that it is available for use;
- management intends to complete the software and use it;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial, and other resources to complete the development and to use the software are available, and the expenditure attributable to the software during the development can be reliably measured.

Amortisation is charged on a straight-line basis over the expected useful life of the software. The expected useful life is considered to be five years. The software is reviewed for impairment where there are triggers such as technological advancement or changes in market price that indicate that the carry amount may be impaired.

1.9 Property, plant and equipment

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Freehold and long leasehold housing properties are stated at cost less any provision for any diminution in value and depreciation. The cost of land is not depreciated.

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction.

Where the Association receives a donation of land and/or other asset or acquires land and/or other asset at below its market value from a government source this is considered to be in substance a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Balance Sheet as a liability.

Where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation

Depreciation is provided on a straight-line basis over the periods shown below:

Freehold Land	Infinite
Freehold structure	50-120 years
Leasehold land and structure	Period of lease
Roofs	15-30 years
Lifts	30 years
Doors and windows	30 years
Wiring	25 years
Bathrooms	25 years
Central heating and boilers	20 years
Kitchens	15 years

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Capitalisation of interest

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Other tangible fixed assets

Depreciation of tangible assets, except freehold land, is charged by equal annual instalments from the date of acquisition at rates estimated to write off their cost or valuation, less any residual value, over the expected useful lives, as follows:

Improvements to offices	40 years or remaining lease period, if less than 40 years
Office and Information Technology equipment	3 years
Furniture, fixtures and equipment	6 years
Housing furniture and equipment	3 to 7 years
Housing Support equipment	5 years

1.10 Impairment

Non-financial assets

Non-financial assets comprise property, plant and equipment.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Value in use for housing properties which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loans and overdrafts.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.11 Grant

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 (excluding land), on a pro rata basis under the accrual model of accounting.

The unamortised element of the government grant is recognised as deferred income in creditors due within one year or due after more than one year as appropriate in the Balance Sheet.

Where a component is replaced the amount of any unamortised government grant associated with this component is taken to income.

Government grant is repayable indefinitely unless formally abated or waived. On the occurrence of certain relevant events, primarily following the sale of property, the Government Grant repayable or to be recycled will be restricted to the net proceeds of sale where appropriate. In recognition of this, external lenders seek the subordination of Homes England's right to recover Government Grant to their own loans.

Government grant received in respect of revenue expenditure is recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received using the performance model of grant accounting.

Recycled capital grant fund

Following certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grant or to repay the recoverable capital grant back to the Authority. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund which is included as a creditor due within one year or due after more than one year as appropriate.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific 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 shown as a liability in the Balance Sheet.

1.12 Financial Instruments

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents and trade and other payables.

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

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

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

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

Financial assets are only derecognised when and only when:

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

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

The Association does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Cash and Cash Equivalents comprise cash in hand and at bank and short-term deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.13 Employee benefits

Multi-employer defined benefit pension scheme

The Association is party to a multi-employer defined benefit (final salary) contributory pension scheme administered independently by The Pensions Trust. The Association recognises in its Balance Sheet the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating profit. Interest on the scheme liabilities net of the expected return on scheme assets is included in the finance costs.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the Statement of Comprehensive Income in the period in which they arise.

Short term employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Balance Sheet date and has been carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

1.14 Provisions

Provisions for liabilities and charges are recognised when the Association has a present obligation (whether legal or constructive) as a result of a past event that can be reliably estimated and it is probable that a transfer of economic benefit will be required to settle the obligation.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements in applying the Association's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Board has made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Identification of housing property components

The Association accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc.) and in determining the useful economic lives of each component.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (continued)

Key sources of estimation uncertainty

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

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. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components. The accumulated depreciation at 31 March 2023 was £522,808 (2022: £555,124) for other fixed assets and £4,531,423 (2022: £4,229,425) for housing properties.

Amortisation of government grants

Government grants received for housing properties are recognised in income over the useful life (as identified for the depreciation charge) of the housing property (excluding land), on a pro rata basis under the accrual model. See note 14 for carrying amounts.

Bad debt provision

The rent arrears balance comprises a number of small balances. The financial statements have been predicated on the assumption that the overall bad debt provision is sufficient to cover the outstanding debts which, ultimately may prove to be uncollectible. There is a possibility that the provision maybe inadequate. See note 12 for carrying amounts.

Multi-employer pension obligation

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation and mortality rates. In determining the appropriate discount rate, consideration is made to the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Inflation is set by considering market expectations, for example taking the difference between yields available on long-dated fixed-interest and index-linked gilts. Mortality rates are set in line with SAPS tables S2, adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. At 31 March 2023, a liability of £153,000 (2022: £144,000) for pensions is recorded in the Balance Sheet.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2023 Turnover £	2023 Other income £	2023 Operating expenditure £	2023 Operating surplus £
Social Housing Lettings	2,571,064	-	(2,482,965)	88,099
Other social housing activities				
Community support	42,836	-	(42,368)	468
Gain on disposal of housing properties	-	265,155	-	265,155
Operating surplus from social housing activities	2,613,900	265,155	(2,525,333)	353,722
Activities other than Social Housing Activities				
Other income	14,218	-	(10,000)	4,218
TOTAL	2,628,118	265,155	(2,535,333)	357,940

	2022 Turnover £	2022 Other income £	2022 Operating expenditure £	2022 Operating surplus £
Social Housing Lettings	2,501,617	-	(2,359,554)	142,063
Other social housing activities				
Community support	44,236	-	(31,979)	12,257
Operating surplus from social housing activities	2,545,853	-	(2,391,533)	154,320
Activities other than Social Housing Activities				
Other income	25,971	-	-	25,971
TOTAL	2,571,824	-	(2,391,533)	180,291

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3a. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2023 £	2022 £
Income		
Rent receivable net of identifiable service charges	1,872,427	1,804,207
Service charge income	611,964	610,012
Amortisation of government grant	86,673	87,398
	<hr/>	<hr/>
Turnover from social housing lettings	2,571,064	2,501,617
	<hr/>	<hr/>
Operating expenditure		
Management	1,043,119	909,440
Service charge costs	622,145	610,580
Routine maintenance	88,287	106,947
Planned maintenance	137,413	181,483
Major repairs expenditure	153,216	174,257
Bad debts	2,730	(43,411)
Housing property depreciation	428,713	399,972
Loss on write off of fixed assets	7,343	20,286
	<hr/>	<hr/>
Operating expenditure on social housing lettings	2,482,965	2,359,554
	<hr/>	<hr/>
Operating surplus from social housing lettings	88,099	142,063
	<hr/>	<hr/>
Rent losses from voids	(41,292)	(43,558)
	<hr/>	<hr/>

4. SURPLUS FOR THE YEAR

	2023 £	2022 £
Is stated after charging:-		
Auditor's remuneration (excluding VAT)		
Prior year under provision	30,864	-
Current year provision	15,000	31,990
Depreciation-owned assets		
- housing properties	428,713	399,972
- office building	3,566	3,566
- other fixed assets	22,986	44,089
Operating lease rentals - office equipment	3,723	2,680
(Gain)/Loss on disposal of assets	(257,813)	20,286
	<hr/> <hr/>	<hr/> <hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

5. SURPLUS ON SALE OF FIXED ASSETS - HOUSING PROPERTIES

	2023	2022
	£	£
Disposal proceeds	600,000	-
Less: cost of disposal	(15,498)	-
Less: Net book value of housing properties and components disposals	(286,540)	-
Less: Capital grant transferred to recycle grant (note 17)	(32,807)	-
	<hr/>	<hr/>
	265,155	-
	<hr/> <hr/>	<hr/> <hr/>

6. INTEREST RECEIVABLE

	2023	2022
	£	£
Bank interest	1,414	604
	<hr/> <hr/>	<hr/> <hr/>

7. INTEREST PAYABLE

	2023	2022
	£	£
Interest payable	68,718	56,170
Net interest costs on pension	4,000	6,000
	<hr/>	<hr/>
	72,718	62,170
Less: Interest capitalised on developments	(19,984)	-
	<hr/>	<hr/>
	52,734	62,170
	<hr/> <hr/>	<hr/> <hr/>

8. EMPLOYEE INFORMATION

	2023	2022
	Number	Number
The average monthly number of persons (including the Chief Executive) employed during the year was: (full time equivalents calculated on a 35 hours week).	12	15
	<hr/>	<hr/>
Staff costs (for the above persons)		
	£	£
Wages and salaries (including termination payments)	539,417	578,687
National Insurance contributions	50,273	47,931
Pension costs	56,709	55,857
	<hr/>	<hr/>
	646,399	682,475
	<hr/> <hr/>	<hr/> <hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. EMPLOYEE INFORMATION (continued)

Directors are defined as the members of the Board, the Chief Executive and members of the senior management team. Non-executive members of the Board are not remunerated. The full time equivalent number of staff whose remuneration is payable in relation to the period of account fell within each band of £10,000 from £50,000 upwards as follows:

	2023	2022
	Number	Number
£50,000 - £59,999	-	-
£60,000 - £69,999	1	2
£70,000 - £79,999	-	-
£80,000 - £89,999	2	1
	<hr/>	<hr/>

9. DIRECTORS' EMOLUMENTS

	2023	2022
	£	£
The aggregate emoluments paid to or receivable by Directors, including pension contributions	246,365	207,271
	<hr/>	<hr/>

The emoluments paid to the highest paid Director of the Association excluding pension contributions:	83,808	75,022
	<hr/>	<hr/>

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply. There are no additional pension arrangements.

10. INTANGIBLE FIXED ASSETS

	Computer software	Total
	£	£
COST		
At 1 April 2022	-	-
Additions	77,894	77,894
	<hr/>	<hr/>
At 31 March 2023	77,894	77,894
	<hr/>	<hr/>
DEPRECIATION		
At 1 April 2022	-	-
Charge for year	-	-
	<hr/>	<hr/>
At 31 March 2023	-	-
	<hr/>	<hr/>
NET BOOK VALUE		
At 31 March 2023	77,894	77,894
	<hr/>	<hr/>
At 31 March 2022	-	-
	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing Properties Completed £	Housing Components £	Remodelled Flats £	Total £
COST				
At 1 April 2022	12,011,743	5,700,831	354,075	18,066,649
Additions	57,039	715,311	-	772,350
Disposals	(346,014)	(74,583)	-	(420,597)
At 31 March 2023	11,722,768	6,341,559	354,075	18,418,402
DEPRECIATION				
At 1 April 2022	1,969,671	2,138,587	121,167	4,229,425
Charge for year	165,699	255,933	7,081	428,713
Disposals	(79,212)	(47,503)	-	(126,715)
At 31 March 2023	2,056,158	2,347,017	128,248	4,531,423
NET BOOK VALUE				
At 31 March 2023	9,666,610	3,994,542	225,827	13,886,979
At 31 March 2022	10,042,072	3,562,244	232,908	13,837,224
			2023	2022
			£	£
Housing properties comprise:				
Freeholds			8,558,758	8,904,772
Long Leaseholds			3,106,971	3,106,971
Remodelled Units & Components			6,752,673	6,054,906
			18,418,402	18,066,649

**WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

12. UNITS AT END OF YEAR - SOCIAL HOUSING

	2023 Units	2022 Units
Owned & Managed Housing:		
Social rent, general needs housing	153	154
Supported housing and housing for older people	170	170
	<hr/>	<hr/>
	323	324
	<hr/>	<hr/>
Managed by others: Supported	6	6
	<hr/>	<hr/>
	329	330
	<hr/> <hr/>	<hr/> <hr/>

13. TANGIBLE FIXED ASSETS - OTHER

	Furniture and Equipment £	Leasehold Offices £	Total £
COST			
At 1 April 2022	572,065	142,652	714,717
Additions	6,292	-	6,292
Disposals	(58,868)	-	(58,868)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	519,489	142,652	662,141
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2022	522,330	32,794	555,124
Charge for year	22,986	3,566	26,552
Disposals	(58,868)	-	(58,868)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	486,448	36,360	522,808
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	33,041	106,292	139,333
	<hr/>	<hr/>	<hr/>
At 31 March 2022	49,735	109,858	159,593
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

14. DEBTORS

	2023	2022
	£	£
Amounts falling due within one year		
Rent arrears	168,429	158,117
Less: Provision	(56,197)	(53,467)
	<hr/>	<hr/>
	112,232	104,650
Prepaid development costs	555,831	359,133
Prepayments and accrued income	68,749	123,047
Staff loans	1,820	7,513
Other debtors	86,454	62,008
	<hr/>	<hr/>
	825,086	656,351
	<hr/> <hr/>	<hr/> <hr/>

15. CREDITORS

	2023	2022
	£	£
Amounts falling due within one year		
Rents received in advance	85,361	63,024
Housing loans	70,289	63,736
Trade creditors	169,683	223,682
Other creditors and accruals	72,584	297,926
Other taxation and social security	11,791	33
Deferred Government grant (note 16)	85,262	86,672
	<hr/>	<hr/>
	494,960	735,073
	<hr/> <hr/>	<hr/> <hr/>
Amounts falling due after more than one year		
Loans repayable by instalments: -		
- Between one and two years	77,518	70,289
- Between two and five years	654,375	720,299
- In five years or more	299,005	310,600
Deferred Government grant (note 16)	5,980,213	6,201,960
Recycle capital grant	169,291	
	<hr/>	<hr/>
	7,180,402	7,303,148
	<hr/> <hr/>	<hr/> <hr/>

The housing loans are secured by specific charges on the Association's housing properties and are repayable at interest rates varying from 1.0825% to 12.42%.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16. DEFERRED GOVERNMENT GRANT

	Held as deferred income £	Recognised in profit or loss £	Total 2023 £	Total 2022 £
At 1 April	6,288,632	-	6,288,632	6,376,030
Release to income in the year	-	(86,673)	(86,673)	(87,398)
Recycle capital grant	(136,484)	-	(136,484)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	6,152,148	(86,673)	6,065,475	6,288,632
Grants previously released to profit or loss	-	1,994,374	1,994,374	1,940,508
	<hr/>	<hr/>	<hr/>	<hr/>
Total grant received as at 31 March	6,152,148	1,907,701	8,059,849	8,229,140
	<hr/>	<hr/>	<hr/>	<hr/>

Social Housing Grants have been provided by Homes England to fund the development of Social Housing for rent. As at 31 March 2023 the total unamortised government grant is £6,065,475 split into due to be amortised over more than one year £5,980,213 and due to be amortised within one year £85,262.

17. RECYCLE CAPITAL GRANT

	2023 £	2022 £
At 1 April	-	-
Grants previously amortised	32,807	-
Transferred from deferred government grant (note 16)	136,484	-
	<hr/>	<hr/>
Due after one year	169,291	-
	<hr/>	<hr/>

18. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Pension scheme obligations (see note 21)	153,000	144,000
	<hr/>	<hr/>

19. CALLED UP SHARE CAPITAL

	2023 £	2022 £
Allotted issued and fully paid shares of £1 each At start and end of the year	19	19
	<hr/>	<hr/>
	19	19
	<hr/>	<hr/>

The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

20. RESERVES

The revenue reserve represents the accumulated surpluses and deficits.

Although under its rules the Association does not trade for profit, its financial affairs are planned so that each year income exceeds expenditure. The annual surplus is vital to enable the Association to meet its commitments to providers of private finance, continue to raise further private finance and have reserves to provide for unexpected situations.

In relation to its reserves, the Board of Waltham Forest Housing Association has set out its financial risk appetite to ensure its cash reserves do not fall below a minimum of 6 months' operating costs; this would cover salary, maintenance and all other operating commitments in the worst scenario.

21. PENSION OBLIGATIONS

The Association's employees and past employees are deferred members or pensioners of the Social Housing Pension Scheme.

The Association currently contributes to one defined contribution pension scheme for certain employees. During the year, the Association recognised £54,338 (2022: £55,857) of pension costs in relation to the defined contribution scheme.

The Association has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of the Scheme liabilities, but until the Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Social Housing Pension Scheme

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

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

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

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

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

21. PENSION OBLIGATIONS (continued)

Pension scheme liabilities recognised in the Statement of Financial Position

	2023	2022
	£	£
Pension obligations recognised as Defined Benefit schemes	153,000	144,000
	<hr/>	<hr/>
Total pension scheme liabilities	153,000	144,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions at the financial position date:

	2023	2022
	%	%
Discount rate	4.86	2.79
Inflation (RPI)	3.19	3.54
Inflation (CPI)	2.77	3.17
Salary growth	3.77	4.17
Allowance of commutation of pension for cash at retirement (% of maximum allowance)	75.0	75.0

The mortality assumptions applied at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

Amounts recognised in the Income Statement

	2023	2022
	£	£
Net interest expense	4,000	6,000
Current service costs	5,000	9,000
Expenses paid	3,000	3,000
	<hr/>	<hr/>
Total expenses	12,000	18,000
	<hr/> <hr/>	<hr/> <hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

21. PENSION OBLIGATIONS (continued)

Amounts recognised in Other Comprehensive Income

	2022 £	2022 £
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(432,000)	20,000
Experience gains and losses arising on the plan liabilities - gain/(loss)	12,000	(58,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	2,000	20,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	370,000	98,000
	<hr/>	<hr/>
Total actuarial gains and losses - (loss)/gain	(48,000)	80,000
	<hr/> <hr/>	<hr/> <hr/>

Present values of defined obligation, fair values of assets and defined benefit assets / (liabilities)

	2023 £	2022 £
Fair value of plan assets	702,000	1,079,000
Present value of funded retirement benefit obligation	(855,000)	(1,223,000)
	<hr/>	<hr/>
Net liability	(153,000)	(144,000)
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Reconciliation of movements on the defined benefit obligation

	2023 £	2022 £
Defined benefit obligation at the start of the year	1,223,000	1,269,000
Current service cost	5,000	9,000
Interest cost	34,000	28,000
Contribution by members	3,000	2,000
Actuarial (gains)/losses due to scheme experience	(12,000)	58,000
Actuarial (gains)/losses due to changes in demographic assumptions	(2,000)	(20,000)
Actuarial (gains)/losses due to changes in financial assumptions	(370,000)	(98,000)
Expenses	3,000	3,000
Benefits paid	(29,000)	(28,000)
	<hr/>	<hr/>
Defined benefit obligation at the end of the year	855,000	1,223,000
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WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

21. PENSION OBLIGATIONS (continued)

Reconciliation of movements on the fair value of plan assets

	2023	2022
	£	£
Fair value of the plan assets at the start of the year	1,079,000	995,000
Interest income	30,000	22,000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(432,000)	20,000
Contributions by the employer	51,000	68,000
Contributions by plan participants	3,000	2,000
Benefits paid	(29,000)	(28,000)
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Fair value of the plan assets at the end of the year	702,000	1,079,000
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The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was £402,000 (2022: £42,000).

The fair values of each main class of assets held by the Fund are set out in the following table.

Categories of plan assets as a percentage of the total plan assets are as follows:

	2023	2022
	£	£
Absolute Return	8,000	43,000
Alternative risk premia	1,000	36,000
Cash	5,000	4,000
Corporate Bond Fund	-	72,000
Credit Relative Value	27,000	36,000
Currency hedging	1,000	(4,000)
Distressed Opportunities	21,000	39,000
Emerging Markets Debt	4,000	31,000
Global Equity	13,000	207,000
High Yield	2,000	9,000
Infrastructure	80,000	77,000
Insurance-Linked Securities	18,000	25,000
Liability Driven Investments	324,000	301,000
Liquid Credit	-	-
Long Lease Property	21,000	28,000
Net Current Assets	2,000	3,000
Opportunistic Credit	-	4,000
Opportunistic Illiquid Credit	30,000	36,000
Private Debt	31,000	28,000
Property	30,000	29,000
Risk Sharing	52,000	35,000
Secured Income	32,000	40,000
	<hr/>	<hr/>
Total Assets	702,000	1,079,000
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WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

22. CAPITAL COMMITMENTS

At the year-end there was no capital expenditure contracted for but not provided for in the financial statements (2022 - £nil); nor was there any capital expenditure authorised by the Board but not yet contracted for (2022 - £nil).

23. OPERATING LEASES PAYABLE

The future minimum lease payments under non-cancellable leases are as follows:

	2023	2022
	£	£
Within one year	1,032	1,985
Within two to five years	-	158
	<hr/>	<hr/>
	1,032	2,143
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24. OPERATING LEASES RECEIVABLE

The Association leases out certain of its properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Within one year	24,515	21,442
Within two to five years	-	-
	<hr/>	<hr/>
	25,515	21,442
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25. RELATED PARTY TRANSACTIONS

There were no tenants of the Association, who served as Board members during the year (2022: none).

Key management are the persons having authority and responsibility for planning, controlling and directing the activities of the Association. In the opinion of the Board, the key management are the senior management team.

At the year-end, the Association had a loan owed by a member of key management personnel of £nil (2022: £2,842). The loan is advanced under the Association's Car Loan scheme and is unsecured, interest-free and repayable over 48 months. During the year, £nil (2022: £nil) was advanced and £2,842 (2022: £1,358) amounts were repaid.

The total remuneration of key management personnel during the year inclusive of payments for redundancy and taxes was £271,884 (2022: £229,626). During the year the aggregate compensation for loss of office for key management personnel was £30,000 (2022: £nil).