Registered under the Co-operative and Community Benefit Societies Act No 23535 R

Registered by the Regulator of Social Housing No LH 3673

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED

CONTENTS

	Page Number
Board Membership and Advisors	1
Board Report	2 - 7
Independent Auditor's Report	8 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14 - 16
Notes to the Financial Statements	17 – 34

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED

BOARD MEMBERSHIP & ADVISORS

Board	Mr J Sorotzkin (Chair) Mr S Stauber Mr J Scharfer Mr J Silver (Appointed: June 2023) Mr M Hirschler Cllr C Potter (LB Hackney) Mr I Moskowitz Mr A Klein (Resigned: September 2024) Cllr M Levy Mrs B Feldman (Appointed: September 2023) Mr O Weissbraun (Appointed: June 2024)
Executive Management Team	
Chief Executive and Co Secretary	Mrs Chaya Spitz OBE
Director of Housing Services	Mr Solomon Tescher
Director of Finance	Mr Errol Lever
Director of Care Services	Ms Leora Basalian
Director of Property Services	Mr Malcolm Rogers
Registered Office	206 Lordship Road London N16 5ES
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP
Auditors	CLA Evelyn Partners Limited Chartered Accountants 45 Gresham Street London EC2V 7BG
Solicitors	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT Blake Morgan LLP New Kings Court, Tollgate Chandlers Ford, Eastleigh SO53 3LG

Registered under the Co-operative and Community Benefit Societies Act No 23535 R
Registered by the Regulator of Social Housing No LH 3673

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Board presents its Report and audited financial statements for Agudas Israel Housing Association ("the Association" or "AIHA") for the year ended 31 March 2024 (Registered Number 23535R).

PRINCIPAL ACTIVITIES

The AIHA's principal activities are the provision of housing and associated facilities and services for people who need them, primarily in the Orthodox Jewish Community. As well as developing and managing general needs homes for families, AIHA provides specialist housing with care and supported housing for older people, and others with disabilities.

STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

The Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Association's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a member of the Board at the time this report was approved:

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

GOVERNANCE

The Association has adopted the 2020 National Federation (NHF) Code of Governance (the Code). The Board confirms that it complies with the Code and there have been no areas of non-compliance during the year.

The Association's Board currently comprises ten elected members, all of whom are non-executive and are elected by the shareholders, and one member nominated by Hackney Council. The members are able to draw on relevant and broad experience in exercising their Governance responsibilities. The

strengths and weaknesses of the Board are regularly reviewed, and the recruitment of new Board members brings new skills and experience to the Association. The Board is collectively responsible for the strategic direction and leadership of the Association, for compliance, and for achievement of AIHA's objectives. The Board meets six times per year and closely monitors the Association's strategy and activities. Additional meetings Board meetings are held to allow in depth discussion about specific topics. The Board has delegated in depth scrutiny to three Committees. These are; the Audit and Risk Committee which considers the way the Board manages risk; the Development Committee which gives in-depth consideration to proposals for new developments and monitors developments as they progress; and the Selection and Remuneration Committee.

Day-to-day management of the Association's affairs is delegated by the Board to the Chief Executive who is supported by four directors, who lead the functions of Property Management, Housing Services, Care and Finance. Together the senior leadership team ensures that the Board has sufficient information to direct the Association's affairs, and works with the Board to define the strategic direction.

The day-to-day work of AIHA is carried out by over 150 employees, who work within the care provision, housing management, development and central administration. Volunteers further enhance the quality of care services. The Association is an Investors In People organisation, accredited at Gold level for valuing, supporting and developing its people. In their report, Investors in People has praised the Association for outstanding leadership and strong values across the organisation.

GOVERNANCE AND VIABILITY STANDARD

The Association ensures compliance through:

- adoption of the recommendations of the 2020 NHF Code of Governance;
- an effective Board supported by the committees that provide in depth scrutiny of different areas of activity;
- an effective system of internal controls which are tested by internal audit;
- an operational business plan and long term financial plan that is subject to stress testing and approved by the Board;
- a detailed risk map reviewed by the Board;
- compliance with lenders covenants with Board monitoring compliance on a quarterly basis;
- an annual Value for Money (VfM) statement and report on performance against set metrics;
- an asset and liability register which is being enhanced and developed with additional information being added to it.
- sufficient liquidity to meeting contractual requirements.

AIHA was affected by a post balance sheet event in July 2024 which resulted in a liability of £2.8m. In accordance with the relevant accounting standard the accounts for 2023-24 have been adjusted, which has resulted in a loss for the year. All lenders have confirmed that they will not regard this event as a covenant breach, but because this confirmation was only given after the year end, the accounts reflect a breach and show that loans fall due within the year. The lender concerned has confirmed that it does not consider AIHA to be in breach and there is a continuing funding relationship.

The Association's business objectives are set out clearly in the corporate plan. There are four overarching objectives:

- Developing new homes
- Excellent housing management, ensuring that all our homes meet the required standards and we are exemplars in tenant engagement

- Sustaining and growing our exceptional Care and Support provision
- Strengthening the Association's foundations, so that we can deliver our objectives. This includes:
    - Continuing to invest in our people
    - Strengthening our financial management systems
    - Using technology effectively and maximising opportunities presented by IT

The Board, together with the senior leadership, have set aspirational goals and targets across the above areas which are set out in the corporate plan, and annually updated in the Annual Plan. Progress is tracked and reported on to the Board.

ACHIEVEMENTS DURING THE YEAR

During the year, the Association is proud to have delivered against the objectives set by the Board:

- Developing new homes

During the year, construction started on two new schemes. A scheme to deliver 20 large family homes in collaboration with Gateshead Regeneration Partnership and Adler Housing Association started on site and construction is well under way. A second scheme is delivering 22 homes for shared ownership on Golders Green Road in London. Both schemes are progressing well and have generated strong community interest. The 42 new homes will be delivered in 2025-26.

Additionally, during the year a property in Hackney was acquired for the creation of 7 studio flats for disabled people.

The two schemes in London are supported by the GLA and the Gateshead scheme is supported by Homes England. AIHA is grateful for grant funding that is enabling it to bring forward affordable homes for the community.

Alongside these live schemes, the Association has also engaged in plans, relationship building and discussions to develop a future pipeline.

The Association has a Housing Needs team and holds its own waiting list. The need for new homes far exceeds what the Association can provide, and we have continued to deliver emergency accommodation for homeless families through our temporary accommodation scheme, working with private sector landlords. In all, over the year a total of 36 housing applicants were provided with an AIHA home during the year, with further applicants assisted to access housing through local authority housing provision.

- Excellent housing management

AIHA owns a mix of property types, with homes of different tenures and in different locations. The majority of our homes are general needs social rent or affordable rent, along with a component of shared ownership homes and supported housing. We are proud that all bar one of AIHA's homes meets the Decent Homes Standards, with the one non-decent home void and awaiting repair.

Over the last three years we have invested substantially in our Property and Housing Management teams, and we are proud of our achievements. Our performance against Tenant Satisfaction Measures is strong compared to the sector, and we will aim for continuous improvement.

The Association has identified about 100 properties that require decarbonisation works to enable us to achieve at least EPC C rating on all properties by 2030. The work to fully specify what is required to achieve this is now underway, and AIHA will be submitting an application to the Government's

Social Housing Decarbonisation Fund later in 2024. The Association's revised Sustainability Strategy has

been developed collectively by AIHA's leaders and will ensure that over the coming years, sustainability is embedded into all our functions.

- Care and Support Provision

AIHA is proud of our exceptional care and supported housing provision. At the heart of this are the beautiful Schonfeld Square Homes. Provision at Schonfeld Square incorporates Beis Pinchos care home and Fradel Lodge sheltered housing, both which had occupancy of over 95% over the year. AIHA's two mental health provisions also delivered support to a very high standard and had 100% occupancy.

Other schemes continued to be managed for the Association by our trusted community partners, including Beis Brucha Mother and Baby Home, Beenstock Home for older people in Salford and Yad Voezer homes for disabled people.

- Exceptional event

AIHA's operations performed well over the year. Despite pressures affecting the social housing sector including cost pressures and increased regulatory requirements, a robust operating surplus was delivered in line with previous years.

The Association's accounts for the year were adjusted for a one-off exceptional liability of £2.8m, which has resulted in a loss for the year. The liability arose from an arbitration award in respect of one of AIHA's properties, 65–67 Stamford Hill, London N16, which was acquired by AIHA in 2012. The site was developed to form the Aviv estate and includes three residential blocks along with a large Commercial Unit. The arbitration was between AIHA and the Seller, in respect of the Commercial Unit. It has been ongoing since 2021, and since the year end has resulted in this exceptional liability.

AIHA intends to dispose the Commercial Unit, which, it is anticipated, will largely cover the one-off liability. Since the Commercial Unit has been vacant since its construction pending the outcome of arbitration and not generating any revenue, the Award has a neutral effect on AIHA's ongoing business operations. However, it is treated as an expense in 2023-24, without corresponding income and has resulted in a net deficit for the year. All lenders have confirmed that they will not regard this event as a covenant breach and have a continued funding relationship with AIHA. Because this confirmation was only given after the year end, the accounts reflect a breach.

The Association's business remains strong and viable, and lenders continue to have confidence in AIHA's performance.

VALUE FOR MONEY STATEMENT

The VfM Standard requires AIHA to demonstrate that:

- overall, optimal benefit is derived from resources and assets in the delivery of their strategic objectives;
- performance against its own value for money targets and any metrics set out by the regulator are reported on, and how that performance compares to peers;
- areas of underperformance are clearly explained supported by plans to address areas of concern; and
- include this detail in the annual accounts.

The requirements in the Regulator of Social Housing (RSH) standards are demonstrated in this statement.

VALUE FOR MONEY STATEMENT (CONTINUED)

This statement provides evidence to enable stakeholders to understand AIHA performance. The evidence will explain how AIHA are achieving value for money in delivering their strategic objectives in a way that is transparent and accessible.

AIHA performance against the metrics is set out below in table 1. The six columns in table 1 set out, the metric measure (column 1), AIHA performance against each metric for 2023/24 (column 2), comparison with AIHA's performance for 2022/23 (column 3). Columns 4, 5 & 6 allow for comparisons to be made against peer organisations for 2022/23 and understand the level of performance achieved against each metric at lower, medium and upper quartile.

Table 1, AIHA comparable RSH metrics performance 2023/24

RSH Metric	2023/24 AIHA performance	2022/23 AIHA performance	2022/23 Peer group lower quartile	2022/23 Peer group median quartile	2022/23 Peer group upper quartile
1. Reinvestment %	**3.07**	2.52	2.43	3.12	4.13
2. New Supply Delivered %	**-**	0.59	-	0.46	1.27
3. Gearing %	**29.93**	30.94	-10.61	18.99	29.8
4. EBITA MRI interest cover %	**148**	183	75.99	147.65	228.05
5. Headline Maintenance Cost per Unit	**£1,705**	£1,086	£5,728	£4,797	£3,688
6a. Operating Margin (social housing lettings only) %	**18.02**	12.85	9.7	13.78	22.16
6b. Operating Margin (overall) %	**30.39**	26.35	12.76	17.68	21.08
7. Return on Capital Employed	**2.25**	2.71	2.43	3.12	4.13

Most of AIHA's comparative performance against peers remains between the median and upper quartile level. The EBITDA MRI and the Operating Margins have been calculated excluding the one-off exceptional item of £2.8m. During the year AIHA started to deliver new homes, and this will continue to increase with accelerating development activity. Substantial delivery of new units is expected in 2025/26. Developing new homes remains a key objective for AIHA.

Places in care homes, as well as high needs supported housing, accounts for over 150 AIHA homes. Over the year, work to improve the viability of care and supporting housing places has borne fruit, and all AIHA's care and support schemes are enjoying stronger performance. Providing housing with care, along with supported housing, for people in need of specialist provision, remains a key business objective of AIHA.

The target for 2024/25 is to continue the positive trajectory and to move into medium or top quartile comparative performance for the RSH metrics.

PERFORMANCE THROUGHOUT THE YEAR AND POSITION AT THE YEAR END

AIHA is adapting to the current economic environment with the current high inflation levels and increasing levels of interest on bank loans corresponding to increases in the Bank of England Base Rate.

Inflation will continue to present significant challenges in the Association, and the risk is being managed by continued action around recruitment, as well as a strong focus on staff retention, financial reporting and pay.

FOR THE YEAR ENDED 31 MARCH 2024

Result for the year

The Association's deficit for the year was £0.2m (2022/23: £2.1m surplus). The operating surplus reduced to £2.6m (2022/23: £4.5m) from last year due to the one-off exceptional item.

Cost of funds

Interest payable in 2023/24 amounted to £2.9m (2022/23: £2.4m) giving a weighted cost of funds of 5.30% for the year (2022/23: 4.84%).

Housing Properties

Capital expenditure on housing projects in the year was £5.1m (2022/23: £4.1m). At the end of 2023/24 the Association had £15.6m capital commitments for development expenditure (2022/23: £12m). The accumulated expenditure on acquisition and development of housing properties was £189m (2022/23: £184.2m). The current market value of the property portfolio is believed to be considerably in excess of the carrying value or historic cost.

The Board have approved a revised business plan for up to 57 new units and terms have been received for new bank loan facilities of £30m. The new loan facilities are needed for the development and the repayment of expiring loans of £16.2m in the 2025 financial year.

Liquidity

At the end of 2023/24 the Association had cash deposits of £5.7m (2022/23: £2.8m) and had unutilised loan facilities of £5m (2022/23: £10m). Cash balances are in accordance with AIHA's policy to borrow sufficient monies to meet its reasonable contingent requirements for liquidity.

Treasury management

Borrowings from private sector lenders amounted to £55.9m (2021/22: £53.5m), an increase of 4.5%. Most of the loans are repayable in periodic instalments. The Association operates a Treasury Management Policy which is approved by the Board. Monitoring reports on treasury activity are made to each meeting of the Finance and Development Committee. The Association adopts a risk-based approach to treasury management designed to protect it from the adverse impact of volatile movements in market rates of interest.

FUTURE PROSPECTS

The Association expects to increase development in the future in an effort to reduce its waiting list. Overall, the Association is pleased to be reporting on another successful year, continuing to consolidate its stable financial platform.

By Order of the Board

Jacob Sorotzkin (Sep 30, 2024 16:18 GMT+1)

Chairman
Date: 30th September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED

Opinion
We have audited the financial statements of Agudas Israel Housing Association Limited (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Board
As explained more fully in the Statement of Board's Responsibilities set out on page 2, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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

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

We understand that the association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the board;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular Board meetings and compliance reporting.

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

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

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

- Performed a review of Board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations;
- Enquired of any correspondence between the Regulator of Social Housing and the Association; and
- Performed a review of the most recent reports from the Care Quality Commission.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect categorisation and valuation of housing properties and property held as current assets.

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

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Association's processes and controls surrounding manual journal entries; and
- reviewing and challenging categorisation and valuation of housing property and property held as current assets.

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 opinions we have formed.

CLA Evelyn Partners Limited
CLA Evelyn Partners Limited (Sep 30, 2024 16:43 GMT+1)

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

Date: 30/09/2024

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
Statement of Comprehensive Income

For the year ended 31 March 2024

All amounts relate to continuing activities.

	Notes	2024	2024	2023	2023
		£	£	£	£
Turnover			16,601,370		14,685,210
Reversal of impairment of commercial unit held in Stock		350,000			-
Exceptional items		(2,800,000)			-
Other operating costs		(11,905,664)		(10,815,700)	
Total operating costs			(14,355,664)		(10,815,700)
Surplus before surplus on disposal of property	**7**		**2,245,706**		**3,869,510**
Surplus on disposal of property			361,792		586,914
Operating surplus			2,607,498		4,456,424
Interest receivable	8		37,335		173
Interest payable	9		(2,875,353)		(2,387,352)
Surplus for the year			**(230,520)**		**2,069,245**

One-off exceptional liability of £2.8m, arising from the arbitration award against AIHA. Refer to the Board report on page 3.

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
Statement of Financial Position

As at 31 March 2024

	Notes	2024	2023
		£	£
Fixed Assets			
Housing properties	10	167,617,471	163,837,723
Other tangible fixed assets	11	1,226,303	1,185,216
		168,843,774	165,022,939
Current assets			
Stock	12	3,624,291	2,988,480
Debtors	13	1,001,091	565,379
Cash at bank and in hand		5,726,308	2,842,659
		10,351,690	6,396,518
Creditors			
Amounts falling due within one year	14	(63,388,333)	(6,790,889)
Net current (liabilities)		(53,036,643)	(394,371)
Total assets less current liabilities		115,807,130	164,628,568
Creditors			
Amounts falling due after more than one year	15	(64,813,245)	(113,404,163)
Net assets		50,993,885	51,224,405
Capital and reserves			
Called-up share capital	19	16	16
Revenue reserves	20	50,993,869	51,224,389
Association's funds		50,993,885	51,224,405

The financial statements were approved by the Board of Management on 30th Sep 2024 and were signed on its behalf by:

Jacob Sorotzkin (Sep 30, 2024 16:18 GMT+1)
J Sorotzkin
Board Member

israel moskovitz (Sep 30, 2024 16:19 GMT+1)
I Moscovitz
Board Member

Chaya Spitz (Sep 30, 2024 16:42 GMT+1)
C Spitz OBE
Secretary

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
Statement of Changes in Equity

For the year ended 31 March 2024

	Share Capital	Revenue Reserves	Total Capital and Reserves
	£	£	£
At 1 April 2023	**16**	**51,224,389**	**51,224,405**
Surplus from Statement of Comprehensive Income	-	(230,520)	(230,520)
At 31 March 2024	**16**	**50,993,869**	**50,993,885**

	Share Capital	Revenue Reserves	Total Capital and Reserves
	£	£	£
At 1 April 2022	**16**	**49,155,144**	**49,155,160**
Surplus from Statement of Comprehensive Income	-	2,069,245	2,069,245
At 31 March 2023	**16**	**51,224,389**	**51,224,405**

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024	2023
		£	£
Net cash generated from operating activities	A	5,907,510	5,308,899
Cash flow from investing activities			
Interest received		37,335	173
Grant received		2,078,095	912,984
Payments to acquire and construct housing properties		(5,427,167)	(4,120,770)
Purchase of other tangible fixed assets		(99,241)	(80,967)
Proceeds from disposal of tangible fixed assets		453,468	951,250
Net cash used in investing activities		**(2,957,510)**	**(2,337,330)**
Cash flow from financing activities			
Interest paid		(2,423,959)	(2,311,543)
Loans received		5,000,000	-
Repayment of borrowings		(2,642,392)	(994,151)
Net cash used in financing activities		**(66,351)**	**(3,305,694)**
Net increase / (decrease) in cash and cash equivalents		2,883,649	(334,125)
Cash and cash equivalents at beginning of year		2,842,659	3,176,784
Cash and cash equivalents at end of year	**B**	**5,726,308**	**2,842,659**

AGUDAS ISRAEL HOUSING ASSOCIATION LIMITED
Statement of Cash Flows

For the year ended 31 March 2024 (CONTINUED)

A) Reconciliation of surplus for the year to cash generated by operations

	2024	2023
	£	£
(Deficit)/surplus for the year	(230,520)	2,069,245
Interest receivable and similar income	(37,335)	(173)
Interest payable and similar charges	2,875,353	2,387,352
Profit on sale of housing properties	(361,792)	(586,914)
Depreciation charge on tangible fixed assets	1,376,287	1,530,211
Amortisation of Social Housing Grant	(610,703)	(596,817)
Increase in stock	(635,811)	(28,746)
(Increase) / Decrease in debtors	(435,713)	228,200
Increase in creditors	3,967,744	306,541
Net cash inflow from operating activities	**5,907,510**	**5,308,899**

For the year ended 31 March 2024 (CONTINUED)

B) Cash and cash equivalents

	At 1 April 2023	Cash flow	At 31 March 2024
	£	£	£
Cash at bank and short term deposits	2,842,659	2,883,649	5,726,308
Net funds	2,842,659	2,883,649	5,726,308

C) Analysis of net debt

	At 1 April 2023	Cash flow	Other non-cash changes	At 31 March 2024
	£	£	£	£
Bank borrowings due within 1 year	(3,518,498)	2,642,392	(55,022,896)	(55,899,002)
Bank borrowings due after more than 1 year	(50,022,896)	(5,000,000)	55,022,896	-
Cash at bank and short term deposits	2,842,659	2,883,649	-	5,726,308
Net debt	**(50,698,735)**	**526,041**	**-**	**(50,172,694)**

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 2.

The Association's registered office is 206 Lordship Road, London, N16 5ES.

1.2. Basis of accounting

These financial statements 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.

The financial statements have been prepared under the historical cost convention.

The functional and presentational currency of the Association is Sterling (£).

Consolidation

AIHA Sales Limited, a company incorporated in England was a 100% subsidiary of the Association during the year. This company was dormant throughout this year and last. Consolidated financial statements have not been prepared on the grounds that this subsidiary is not material to the group.

1.3. Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Board has reviewed the changes arising from the increased costs of doing business along with the increases in borrowing rates, and concluded that there is appropriate headroom against the Association's financial covenants. The Association continues to generate surpluses and has maintained sufficient liquidity. Terms have been offered by new lenders to replace loans due to expire during the year and to fund the development programme. The long term business plan has been subject to sensitivity testing. Consequently, the Board is confident that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. They therefore have prepared the financial statements on a going concern basis.

1.4. Turnover

Turnover represents rental income and service charges receivable net of voids, grants from local authorities, amortisation of government grant, income from first tranche shared ownership and private sales and income receivable from other sources. Care income is recognised on the basis of the value of services provided in the period.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.4. Turnover (continued)

Turnover arises solely within the United Kingdom.

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 Statement of Financial Position.

Service charge income is accounted for on the basis of the value of goods or services supplied during the period. Any over or under recovery of amounts due are reflected as a debtor or creditor respectively. Amounts collected in advance to fund future repairs and referred to in the financial statements as sinking fund charges are accounted for as a creditor until utilised or returned to leaseholders.

Revenue grants are 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.

First tranche shared ownership and private sales are recognised when legal completion occurs.

1.5. Property managed by agents

Where agents carry the majority of the financial risk on property managed on behalf of the Association, all the income and expenditure arising from the property is excluded from the Statement of Comprehensive Income.

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 therefore is not subject to Corporation Tax on the surplus arising from charitable activities. Provision is made for the tax liabilities, which may arise when property is developed for commercial outright sale or private rent. Tax is chargeable on these activities and a provision is made for any tax payable.

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the statement of financial position date except as otherwise required by FRS 102.

1.8. 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 depreciation and impairment.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.8. Property, plant and equipment (continued)

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction, including interest charges incurred during the development period.

Properties in the course of construction are stated at cost and transferred to completed housing properties when completed. Where an asset comprises components with materially different useful lives, those assets are separately identified and depreciated over those individual lives.

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

Land	Infinite
Structure	120 years
Roofs – Flat/Pitched	15/60 years
Lifts and bathrooms	30 years
Windows and Doors	25 years
Heating systems and electrical circuits	40 years
Boilers	15 years
Kitchens	20 years
Leasehold, buildings and improvements	Over the period of the lease or the life of the property, if less

We perform a periodic review of our policies, which include benchmarking with other housing associations to ensure that we are in line with the sector's good practice. As a result, our method of depreciation has changed such that we no longer charge depreciation on shared ownership assets. This resulted in an overall decrease in the depreciation charge for the year of £121.8k.

Other 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.

Mixed tenure developments

Where the Association has a mixed tenure development which has more than one element, the Association allocates the cost of the land to each element of the scheme to reflect the respective values of the land for different tenure types.

Shared ownership

The costs of shared ownership properties are split between current and fixed assets on the basis of the percentage of the property to be sold under a first tranche disposal. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.8. Property, plant and equipment (continued)

Other tangible fixed assets

Other tangible fixed assets are stated at cost, less depreciation and impairment. 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:

Property fixtures	20%
Office equipment	20%
Motor Vehicles	20%

1.9. Stock

Stock is carried at the lower of cost and net realisable value.

Cost includes all statutory and professional fees relating to the acquisition of a property, obtaining planning consents, legal fees, the costs of construction and redevelopment, and direct development overheads. Finance costs are capitalised within the cost of properties for sale. For shared ownership properties the amount held as stock is the estimated cost to be sold as a first tranche.

1.10. Impairment

Non-financial assets

Non-financial assets comprise Property, Plant and Equipment and property held as stock.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. Should there be a reversal of impairment, this would also be recognised in the statement of comprehensive income but not so as to increase the carrying value above its initial cost.

Financial assets

Financial assets comprise trade and other debtors and cash and cash equivalents.

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.

1.11. Grant

Government grant

Government grants include grants receivable from Homes England, the Greater London Authority (GLA), 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 Statement of Financial Position.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.11. Grant (continued)

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 the Homes England's and the GLA'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 and the GLA can direct the Association to recycle capital grant or to repay the recoverable capital grant back to the Authorities. 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.

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 income 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 Statement of Financial Position.

1.12. Financial Instruments

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

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

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

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

Debt instruments 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.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.13. Financial Instruments (continued)

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

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.

1.14. 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. The Association is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As there is a contractual agreement between the scheme and the Association that determines how the deficit will be funded, the contributions payable that arise from the agreement to the extent that they relate to the deficit are recognised as a liability in the Statement of Financial Position and the resulting expense in the Statement of Comprehensive Income.

When the contributions are not expected to be settled within 12 months after the reporting period, the liability is measured at the present value of the contributions payable by using a discounted rate (discounted present value basis). The rate used is determined by reference to market yields at the reporting date on high quality bonds.
Contributions in respect of current service are recognised in the Statement of Comprehensive Income as they fall due.

1.15. 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 Statement requires the use of estimates and judgements that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and 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.

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.

Key sources of estimation uncertainty

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

Allocation of costs for shared ownership

Shared ownership properties include those under construction are split between fixed assets and current assets. The split is determined by the percentage of the property sold under the first tranche disposal and the remainder retained by the Association within its social property, plant and equipment. The proportion expected to be sold under the first tranche disposal is recognised as inventory within current assets on the Statement of Financial Position (see note 12).

Bad debt provision

The rent arrears balance of £473,757 and the sales ledger balance of £293,469, recorded in the Association's Statement of Financial Position, comprises a relatively large number of small balances. A full line by line review of rent arrears is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which may prove to be uncollectible. The provision at 31 March 2024 was £197,089 and £137,532 respectively.

Stock – properties for sale

Estimated selling prices are based upon management's experience of the local market and advice from independent surveyors. The accumulated impairment provision at 31 March 2024 was £2,336,715 (2023: £2,686,715).

3. SOCIAL HOUSING TURNOVER AND COSTS

	Housing Acommodation 2024 £	Shared Ownership 2024 £	Total 2024 £	Total 2023 £
Rents receivable	7,786,696	1,096,158	8,882,854	7,443,857
Service charges receivable	4,316,017	368,195	4,684,212	4,653,689
Gross rental income	**12,102,712**	**1,464,354**	**13,567,066**	**12,097,546**
Voids	(70,532)	(11,600)	(82,132)	(123,556)
Net rental income	**12,032,180**	**1,452,754**	**13,484,934**	**11,973,990**
Amortised government grants	559,311	51,392	610,703	437,162
Total turnover from social housing lettings	**12,591,492**	**1,504,146**	**14,095,637**	**12,411,152**
Social housing activity expenditure	(11,187,469)	(368,195)	(11,555,664)	(10,815,700)
Operating surplus/deficit and net surplus/deficit from social housing activities	**1,404,023**	**1,135,951**	**2,539,973**	**1,595,452**

4. EMPLOYEE INFORMATION

	2024 Number	2023 Number
The average monthly number of persons (including the Chief Executive) employed during the year was: (full time equivalents calculated on a 35 hour week).	**164.7**	155.6

Staff costs (for the above persons)	**£**	**£**
Wages and salaries	5,402,380	4,833,736
National Insurance contributions	479,936	441,905
Pension costs	117,972	113,624
	6,000,288	**5,389,265**

The full-time equivalent number of staff whose remuneration payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	**1**	2
£70,001 - £80,000	**2**	3
£80,001 - £90,000	**1**	-
£90,001 - £100,000	**1**	2
£120,001 - £130,000	**1**	1

5. DIRECTORS' EMOLUMENTS

	2024 £	2023 £
The aggregate emoluments paid to or receivable by the Executive Management Team, including pension contributions	**541,269**	481,961
The emoluments paid to the highest paid Director (who is not the Chief Executive) of the Association excluding pension contributions:	**90,156**	98,820

6. SURPLUS FOR THE YEAR

	2024	2023
	£	£
Is stated after charging:-		
Auditor's remuneration (excluding VAT):		
In their capacity as auditors – annual fee	71,561	90,000
In respect of other services	3,439	
Depreciation:		
Housing properties	**1,318,133**	1,470,894
Other tangible fixed assets	**58,154**	63,237

7. SURPLUS ON DISPOSAL OF PROPERTY

	2024	2023
	£	£
Sale proceeds	**453,468**	951,250
Cost of sales	**(91,675)**	(364,336)
	361,792	**586,914**

8. INTEREST RECEIVABLE

	2024	2023
	£	£
Bank interest	37,335	173

9. INTEREST PAYABLE

	£	£
Interest payable	2,875,353	2,387,216
Unwinding of discount on multi-employer pension scheme liability	-	136
Total	**2,875,353**	**2,387,352**

10. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for social housing letting	Housing properties held for shared ownership	Housing properties in progress	Total
	£	£	£	£
COST				
At 1 April 2023	157,810,052	22,905,300	3,524,511	184,239,863
Additions	-	-	3,899,640	3,899,640
Transfers from:				
Completed schemes	337,748	-	(337,748)	-
Component additions	1,241,716	-	-	1,241,716
Disposals	-	(88,033)	-	(88,033)
Abortive cost	-	-	(6,846)	(6,846)
Component replacements	(254,574)	-	-	(254,574)
At 31 March 2024	**159,134,942**	**22,817,267**	**7,079,557**	**189,031,765**
DEPRECIATION				
At 1 April 2023	19,023,843	1,378,297	-	20,402,140
On disposals		(3,592)	-	(3,592)
Components written off	(302,387)	-	-	(302,387)
Charge for year	1,318,133	-	-	1,318,133
At 31 March 2024	**20,039,589**	**1,374,705**	**-**	**21,414,295**
NET BOOK VALUE				
At 31 March 2024	**139,095,353**	**21,442,561**	**7,079,557**	**167,617,471**
At 31 March 2023	**138,786,209**	**21,527,003**	**3,524,511**	**163,837,723**

	2024	2023
	£	£
Housing properties comprise	**154,247,860**	149,455,958
Freeholds at cost	**34,783,905**	34,783,905
Long leaseholds	**189,031,765**	184,239,863

Included within housing properties is £nil (2023: nil) of interest capitalised in the year and £6,277,074 (2023: £6,277,074) accumulated to date.

10. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (continued)

UNITS AT END OF YEAR – SOCIAL HOUSING	2024 Units	2023 Units
Owned and managed by the Association		
General needs - social housing	**390**	390
General needs – affordable housing	**194**	194
Supported housing	**98**	98
Shared ownership	**87**	87
	769	769
Owned by the Association and managed by others		
Supported housing	**77**	77
Owned by others and managed by the Association		
Supported housing	**2**	2

11. TANGIBLE FIXED ASSETS - OTHER

	Property Fixtures	Offices	Motor Vehicles	Office Equipment	Total
	£	£	£	£	£
COST					
At 1 April 2023	293,876	1,192,496	75,415	192,719	1,754,506
Additions	68,154	-	-	31,087	99,241
At 31 March 2024	**362,030**	**1,192,496**	**75,415**	**223,806**	**1,853,747**
DEPRECIATION					
At 1 April 2023	267,517	93,366	75,415	132,992	569,290
Charge for year	22,493	9,937	-	25,724	58,154
At 31 March 2024	**290,010**	**103,303**	**75,415**	**158,716**	**627,444**
NET BOOK VALUE					
At 31 March 2024	**72,020**	**1,089,193**	**-**	**65,090**	**1,226,303**
At 31 March 2023	26,359	1,099,130	-	59,727	1,185,216

12. STOCK

	Shared Ownership	Market Sale	Total
As at 31 March 2024	**£**	**£**	**£**
Completed		**1,900,000**	**1,900,000**
In Development	1,374,291		1,374,291
Reversal of impairment		350,000	350,000
	1,374,291	**2,250,000**	**3,624,291**
As at 31 March 2023			
Completed	-	1,900,000	1,900,000
In Development	1,088,480	0	1,088,480
	1,088,480	**1,900,000**	**2,988,480**

Market sale stock is stated net of impairment of £2,336,715.

13. DEBTORS

	2024	2023
	£	£
Amounts falling due within one year		
Rent arrears	473,757	429,684
Less: Rental provision	(197,089)	(195,915)
	276,669	233,769
Sales ledger	293,469	267,555
Less: Sales ledger provision	(137,532)	(138,706)
	155,937	128,849
Prepayments and accrued income	568,485	192,410
Tax receivable	-	1,324
Staff loans	-	9,026
	1,001,091	565,378

14. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,103,806	412,900
Capital accruals	472,797	527,253
Rents in advance	953,529	683,920
Taxation and social security	175,038	99,147
Accruals and deferred income	481,481	894,715
RCGF repayable	61,899	-
Loans repayable within one year	55,899,002	3,518,498
Deferred income – Government grant	615,569	632,427
Other creditors	3,625,212	22,029
	63,388,333	**6,790,889**

15. CREDITORS: Amounts falling due after more than one year

	2024	2023
	£	£
Sinking funds	472,467	472,468
Recycled capital grant fund	231,564	279,255
Pension liability	-	4,579
Loans repayable after more than one year	-	50,022,896
Deferred income - Government grant	64,109,214	62,624,965
	64,813,245	**113,404,163**

16. LOAN ANALYSIS

	2024	2023
	£	£
Loans are repayable as follows:		
Due within one year	**55,899,002**	3,518,498
Between one and two years	**-**	11,526,290
Between two and five years	**-**	7,747,414
In five years or more	**-**	30,749,192
	-	**50,022,896**
	55,899,002	**53,541,394**

Loans from Barclays Bank, Lloyds TSB, and the Metro Bank are secured by specific charges on the Association's housing properties. Interest is payable at interest rates varying from 1.99% to 8.5%.

In addition to the above, there were agreed bank facilities of £5m which were not drawn upon as of 31 March 2024 (2023: £10m). Included within loans is £0.19m of finance costs (2023: £0.14m).

17. GOVERNMENT GRANT

	Held as deferred income	Recognised in profit or loss	Total	Total
			2024	2023
	£	£	£	£
At 1 April 2023	63,257,392	-	63,257,392	62,766,045
Additions	2,078,095	-	2,078,095	1,263,596
Grant amortised in the year	(610,703)	610,703	-	-
Grants recycled	-	-	-	(175,432)
At 31 March 2024	64,724,784	610,703	65,335,487	63,854,209
Capital grant previously amortised to profit or loss	12,458,489	-	12,458,489	11,861,672
At 31 March 2024	**77,183,273**	**610,703**	**77,793,976**	**75,715,881**

	2024	2023
	£	£
Deferred income - Government grant		
Amount due to be released within one year	**615,569**	632,427
Amount due to be released in more than one year	**64,109,215**	62,624,965
	64,724,784	**63,257,392**

Social Housing Grants have been provided by Homes England to fund the development of Social Housing for rent.

18. RCGF

	2024	2023
	£	£
At 1 April	279,255	440,964
Grants transferred from 3rd party Registered Provider	-	50,000
Grants recycled	-	175,432
Drawdown	-	(400,612)
Interest accrued	14,208	13,471
Total	**293,463**	**279,255**

RCGF due for repayment within one year to the Greater London Authority was £61,899 (2023: £7,799).

19. CALLED UP SHARE CAPITAL

	2024	2023
	£	£
Allotted issued and fully paid shares of £1 each		
At start of the year	**16**	16
Issued during the year	**-**	-
At 31 March 2024	**16**	16

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.

20. REVENUE RESERVE

The revenue reserve represents the accumulated surpluses and deficits recognised in profit or loss.

21. PENSION LIABILITY

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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 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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

21. PENSION LIABILITY (continued)

Reconciliation of opening and closing liability

	2024	2023
	£	£
Liability at start of period	**4,579**	7,182
Unwinding of the discount factor (interest expense)	**-**	136
Deficit contribution paid	**(2,442)**	(2,617)
Remeasurements - impact of any change in assumptions	**2**	(122)
Liability at end of period	**2,139**	**4,579**

Assumptions

	2024	2023	2022
	% per annum	% per annum	% per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Contributions expected to be payable for the year ended 31 March 2024 are £2,139. Only one further agreed deficit contribution is due in the following years.

22. RELATED PARTY TRANSACTIONS

Cllr M Levy was a councillor during the year whilst serving on the Board of Management for the Association. All transactions with his relevant council were on an arm's length basis on commercial terms and he could not use his position to his advantage.

Relatives to various members of key management personnel held tenancies during the year under the same terms and conditions as applied to other tenants and leaseholders of the Association. Rental and service charges during the year totalled £134.5k with arrears of £7.6k at year end (2023: £62k charged and arrears of £nil).

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. The remuneration of key management during the year was as follows:

	2024	2023
	£	£
Remuneration (as per note 4)	**451,184**	523,996
Employer's social security costs	**52,914**	61,227
	504,098	**585,223**

23. CAPITAL COMMITMENTS

The board have approved two development which are now in progress. The total estimated cost of development is £15.6m. This will be funded by a combination of Social Housing Grant, undrawn loan facilities and reserves.

	2024	2023
	£	£
Capital expenditure that has been contracted for, but has not provided for in the financial statements	**15,607,425**	12,000,000
	15,607,425	12,000,000
The above expenditure is expected to be financed by		
Grant	1,050,276	
Sales	4,295,556	
Loans	9,006,236	
Other	1,255,357	
	15,607,425	

24. POST BALANCE SHEET EVENTS

AIHA has been engaged in arbitration over the Commercial Unit at 65–67 Stamford Hill since 2021. An award was made in July 2024, giving rise to a liability of £2.8m. The accounts have been adjusted to reflect this event. Lenders have agreed, post year end, that they will not regard the position as being in breach.

£16.2m of loans are due to expire during 2024-25. AIHA has received terms from new lenders to enable repayment of these loans.