Registered no: IP000136

Clanmil Housing Association Limited

Annual Statement of Accounts

for the year ended 31 March 2021

Clanmil Housing Association Limited

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Board of Management and advisers

Board of Management

J Scott LLB (Hons) (Chair)
P Fiddaman MA (OXON) ACA (Vice Chair)
N Adams BSc (Hons) (paused duties from 25 March 2021)
P Cassidy BA (QUB) CPFA
M McCann MA
K O'Neill Meng (paused duties 20 November 2019 to 18 September 2020)
D Orr CBE MA
A Otto BSc (Hons)
A Rankin BA (MOD)
R Williamson BA
L Hannigan BSc(Hons) MRICS co-opted 4 February 2021
N Hill BSc Econ (Hons) FCPFA co-opted 4 February 2021

Chief Executive and Company Secretary

CI McCarty BA CIHCM MRICS

Registered office

Northern Whig House
3 Waring Street
Belfast
BT1 2DX

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. IP000136

Solicitors

Mills Selig
21 Arthur Street
Belfast
BT1 4GA

Bankers (primary)

Danske Bank
Donegall Square West
Belfast
BT1 6SJ

Independent auditors

ASM (B) Ltd
Chartered Accountants and Statutory Auditors
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Strategic report of the Board of Management for the year ended 31 March 2021

The Board of Management present their strategic report and the audited financial statements for the year ended 31 March 2021 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day to day management of operations is delegated to the Group Chief Executive and the Executive Management Team.

Gender analysis

8 members of the Board of Management are male and 4 are female. The Management Team of the Association comprises of 3 females and 3 males at year end. The Group had 311 employees on the 31 March 2021, both part and full time, of which 95 are male and 216 are female.

Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.
The Association is a registered charity with HMRC (Charity No. XR 43042).
The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840)

Group structure

Clanmil Housing Association Limited provides affordable housing in Northern Ireland and is the controlling member of the Group.
Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme.
Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations.
Milbreen Limited is currently dormant but intends to develop affordable housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited investments in subsidiary undertaking

Principal activities

The Group provides over 5,500 high quality, affordable homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright.

Our homes are allocated to people from the housing waiting list managed by the Northern Ireland Housing Executive.

The people who live in our homes range from older people who need support to continue to live in the community, to low income families and single people. All share a need for a good home and a desire to live in a settled community with good neighbours.

We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes homeownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

Strategy

Our purpose is to provide homes for people to live well.

To achieve this we have set out five aims in our new five year strategic plan:

Build and maintain quality homes whilst preserving the environment.

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.

Provide services that make life easier for our customers.

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

Create a brilliant and sustainable organisation, fit for the future.

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities

Be a respected voice to grow our impact.

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.

Reach, connect and collaborate to strengthen communities.

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.
- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability.

Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards.

The financial year to 31 March 2021 was significantly impacted by COVID 19 pandemic. In order to protect tenants, staff and contractors operational constraints were imposed on our ability to provide services face to face, carry out some repairs and caused delays to our development programme to deliver more new homes.

We assess our performance by how satisfied our tenants are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

In 2020/21

- 72.1% of our tenants were satisfied with our overall service;
- 81.4% were satisfied with the quality of their home; and
- 81.4% were satisfied with their neighbourhood as a place to live.

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

We are committed to high performance and will work to improve levels of tenant satisfaction as COVID related restrictions ease.

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services and maintain or improve the stock condition and value.

We strive to operate efficiently and effectively, and outputs are monitored by the Board of Management who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association has achieved the following performance against its key targets: -

Performance Indicator	Actual 2020/21	Target 2020/21	Comment
Gearing ratio	46.7%	60.0%	Net increase in net debt of £10.1m during the year. The Group was fully compliant with loan covenants during the year.
Interest cover	2.36 times	1.20 times	Better performance than target. The Group was fully compliant with interest cover covenants during the year.
Operating margin	32.7%	31.0%	Performance slightly better than target. Due to restrictions on maintenance and increased voids.
Housing schemes total arrears	5.8%	13.0%	Performance better than target which had assumed a COVID impact, however, remains a key area of focus.
Social Housing voids	3.9%	2.3%	Performance impacted by COVID restrictions on new lettings particularly in Care Homes
Response maintenance repairs completed within timescale	89.7 %	96.0%	Performance below target impacted by COVID impact on operations, to minimise the spread of infection
Tenant satisfaction	72.1%	89.0%	Performance below target, focus in the coming year will help identify specific areas for improvement.

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in new housing stock, to provide for longer term maintenance obligations, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

The key strengths of the Group which enable its primary objectives to be achieved are:

- A commitment to the highest standards of corporate governance;
- A financial position which secures the confidence of funders, facilitating future investment and strategic growth opportunities;
- Professional and dedicated staff who are committed to the Group's objectives; and
- An ability to deliver the social housing development programme.

Staff

Our success is due to the commitment and professionalism of the people who work at Clanmil. Our team worked hard in difficult circumstances this year to share and promote our values ensuring that our customer remain at the heart of everything we do.

Clanmil staff have shown truly amazing resilience during this particular year. Their quick action in closing our residential accommodation earlier than required was instrumental, we believe, in minimising infection for our residents. At the same time everyone working in our homes went to great lengths to keep people engaged and entertained and well cared for in a safe environment.

The Group's total staff costs increased from £6.85 million in 2019/20 to £7.63 million in 2020/21. As a percentage of turnover staffing costs increased from 18.3% in 2019/20 to 18.4% in 2020/21. Sickness absence levels fell from 4.55% in 2019/20 to 4.45% in 2020/21, notwithstanding requirements to isolate and care for relatives. Labour turnover reduced from 13% in 2019/20 to 11% in 2020/21

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

Value for Money (VfM)

Continuous improvement and achieving Value for Money remains a key element of our business strategy.

This exercise under the banner of "Spend Wisely, Spend Well, Spend Less" has identified baseline costs for the services we deliver as well as opportunities for efficiency savings to be gained over the course of the next financial year.

We continue to integrate Value for Money into our culture as a matter of course, with value defined from the perspective of our customers and the services we deliver.

Delivering more social housing with less financial support from the taxpayer

During the year we increased the number of units under management by 4% and have made significant progress on our plans to deliver 1,400 homes in management over the next five years through the development of additional homes for social or market rental, the provision of affordable equity share homes and by bringing empty homes back into use across a range of tenures. Development was inevitably delayed as construction work was paused in the first quarter of the year because of the Pandemic. Delays have impacted costs, but the Development team continue to manage contracts robustly in challenging circumstances. 254 new properties were handed over in the year with a further 511 properties at various stages of development at 31 March 2021.

To achieve those targets, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on voids, developing complementary income streams and improving operational efficiency. We have £50 million of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively low scale, are successfully operating in the market rental sector and non-social house sales sector. Further focus will be given to obtaining growth in this area.

Providing good quality and efficient services to tenants

Over the year we maintained key services and where it was not possible to attend in person for safety/shielding reasons asd a result of the pandemic, this was done by telephone or platforms such as Teams or Zoom. We have maintained a presence in our independent living schemes and staff have been exceptional in keeping these important contacts close. In addition, people throughout the organisation offered to make regular contact with people who lived alone or who needed some extra support. Staff provided meals, helped with deliveries or were just a friendly listening ear. We worked closely with our maintenance contractors and continued to carry out essential and most statutory repairs. Our team on the helpdesk explained the difficulties with staff shortages and fear of infection and we are very grateful to our tenants for their understanding and forbearance.

We continue to review our 'customer offer' exploring key touchpoints in our service identifying where we can add value with an action plan for improvement. Progress in 2020/21 was necessarily slowed by operational challenges presented by the COVID 19 pandemic. Work has commenced on the scoping and development of a Tenant Portal, which in the coming years will allow tenants to engage more digitally with the Association.

Procurement and contract management

The financial year 2020 / 21 will be forever remembered for the impact of COVID-19, and Clanmil was also affected. The uncertainty generated impacted on contract awards within the annual development programme and consequently impacted on the delivery of the annual procurement plan. During the year 2020/21, some procurements were paused as a consequence of the outworking of COVID-19.

However where activity could progress, procurements for goods, supplies, services and works were advertised in line with the threshold of Clanmil's Corporate Procurement Policy. In that regard, there were 14 contracts awarded by the Procurement team which achieved the following efficiencies for the business:

- 5 Contracts were tendered for Services to be delivered, with a total pre tender estimate of £639,678. The accepted tender costs were £555,520 which is a saving of £84,158 on the pre tender estimate
- 9 Contracts were tendered for works, with a total pre tender estimate of £10,542,823. The accepted tender costs of these procurements were £9,595,081 generating a saving of £947,741.

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

In total , these 14 procurements (above the £30k threshold) have generated a saving to the business of £1,031,900 on the pre tender estimates

Procuring contracts based on social values

We continue to explore the use of Social Value in the delivery of our contracts.

The impact of COVID-19 on the development programme meant that Social Value Offers for the community fund were also affected. Social value continues to be used in the award and delivery of contracts. A refresh of the social value team will allow the refocus and development of this approach throughout 2021/22.

Investing in our communities

The provision of a high quality Money Advice service has given money and benefits advice to 777 tenants. This has created a financial benefit of £2.7m for tenants including £1.4m for the rent accounts of these tenants. We have worked hard to support tenants settle in to new properties. This includes securing support for 126 new tenants to purchase furniture and white goods to establish their new homes. This support is estimated to have totalled £0.15m.

Clanmil is committed to improving community cohesion, good relations and increasing the number of Shared Neighbourhoods. This year we completed work on the current phase of the Housing Association Integration Programme funded through the Special EU Programmes Body. During the year we continued to deliver Good Relations Projects at Felden, a Shared Neighbourhood in Newtownabbey, Hawthorn Gardens (Banbridge) and the Port Building (Ballynafeigh, Belfast) and we are promoting our new developments in Castlewellan, Crossgar and Glenwhirry, Whiteabbey as Shared Neighbourhoods.

Other value for money considerations

The Association has maintained a operating margin of 33% which can be partly attributed to effective procurement and increased income in the year. We continue to avail of the benchmarking provided by Housemark, which enables us to better understand our costs and quality of service provision, leading to better informed decision making.

For the year ahead 2021/22

Our year ahead will focus on combatting the potential impact of the COVID-19 pandemic and thereafter maximising the efficiencies we can achieve in the delivery of high quality services. With the implementation of our new Housing Management and People Management solutions in 2019/20 now embedded, we will strive to make the best use of our resources. We will also be placing an emphasis on how we engage with our tenants and redefine what our Customer Offer looks like.

Risk Management

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Group are considered by the Board of Management at each meeting and the Board has adopted a risk-aware strategic focus.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Challenges to the health and wellbeing of tenants and staff and financial wellbeing of the Association as a result of the outworkings of the COVID-19 pandemic;
- The impact of welfare reform;
- Development risks resulting from timely issue of planning approvals, availability of land and water and sewage infrastructure and property values;
- Rising construction costs and shortage of skills in the construction industry;
- Impact of Brexit / NI Protocol on supply and cost of materials and skills;
- Regulation changes that could impact the health and safety obligations within our operating environment;
- Regulation changes related to the environment and climate change on existing as well as new properties;
- Cyber and data security;

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

- Limits on Supporting People and other revenue funding;
- Increasing customer demands/expectations including the need to deal with anti-social behaviour.

Measures are in place to control these risks and the implementation of further mitigating actions is regularly monitored by the Board. A COVID-19 risk register has been established and regular updates are provided to the Board.

Performance in the year ended 31 March 2021

Total homes available to tenants increased by 254 consisting of 42 already owned properties redeveloped to become new homes and 212 newly constructed homes. Overall the number of properties increased (net of 7 disposals) by 205 to 5,537 (note 32).

The Association's annual review of rental charges at April 2020 resulted in a 1.0% increase in the majority of rents.

There were 511 units under development by the Group at 31 March 2021.

£29.9 million was spent on housing properties additions and component replacement during the year (note 14) partially funded by Housing Association Grant of £16.7 million.

Turnover for the Group increased by 9.4% from £37.43 million in 2019/20 to £40.96 million.

Group operating costs of £27.55 million represent 67.3% of turnover (67.3% in 2019/20).

The surplus on ordinary activities for the Group was £6.75 million, showing a decrease over 2019/20 of £0.07 million (1.0% decrease).

Commercial properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2021. Given the impact of COVID-19 commercial premises saw a reduction in value, whilst market rent residential property benefited from increased valuations. Overall these investment properties enjoyed a positive revaluation of £1.01m

Financing costs increased from £5.59 million in 2020/21 to £6.80 million. This was in part due to breakage costs on higher rate fixed rate loans of £1.4m which were repaid in the year. Loan balances were £169.8m (£169.7m in 2019/20).

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £1.41 million. This was significantly below planned levels, given the Pandemic. Expenditure of this type will fluctuate from year to year dependent on the age and condition of schemes. Costs deferred in 2020/21, will be reprogrammed in 2021 and future years.

Events after the balance sheet date

There were no post balance sheet events. The potential ongoing impact of the COVID-19 pandemic is considered under Risk Management and expected performance in 2021/22 below.

Expected performance in the year ending 31 March 2022

Subject to the ongoing potential impact on operations of the COVID-19 pandemic, the Group expects further expansion in 2021/22 as a result of a significant on-going development programme with turnover projected to increase by around 1% to approximately £41.4 million.

It is planned that approximately 213 additional units will be completed during the year (net of disposals) increasing the total stock owned or managed to approximately 5,750 units.

£3.4 million of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year, subject to any restrictions imposed by the COVID-19 pandemic.

The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

Strategic report of the Board of Management for the year ended 31 March 2021 cont'd

Financial sustainability

The Group has a robust and comprehensive framework of longer term financial planning in place. The Board regularly considers the longer term financial plan which covers a 40 year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in June 2021. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board

CI McCarty
Company Secretary
24 June 2021

Report of the Board of Management for the year ended 31 March 2021

The Board of Management present their report and the audited financial statements for the year ended 31 March 2021 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

Board of Management

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day-to-day management of operations is delegated to the Group Chief Executive and the Executive Management Team.

Performance in the year ended 31 March 2021 and expected performance in the year ended 31 March 2022

The sections on performance in the year ended 31 March 2021 and expected performance in the year ended 31 March 2022, are contained in the strategic report, which forms part of this report.

Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities.

At 31 March 2021 the Association had loans outstanding of £169.8 million, in line with the position at 31 March 2020. Average net debt per unit reduced from £32k at 31 March 2020 to £31k at 31 March 2021 as 205 units (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 2.36% and the gearing ratio as at 31 March 2021 of 46.71% comfortably meet the Association's primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board of Management. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board of Management. The Group engages specialist Treasury Management Advisors to assist in this process.

Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31st March 2021, the Group had agreed facilities unused across a number of Institutions of £50m, to assist in funding its growth strategy and meeting ongoing commitments.

Currency risk

The Association and Group does not engage in foreign currency transactions and so is not exposed to exchange risk.

Regulation

The Association's principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding.

Report of the Board of Management for the year ended 31 March 2021 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2018/19, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1- meets the requirement.

Quality Management

The quality of the Association's management systems is recognised through the Investors in People Silver re-accreditation, and the standards of the Regulation and Quality Improvement Authority.

Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Statement of the responsibilities of the members of the Board of Management

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the members of the Board of Management at the date of approval of these financial statements is aware:

- There is no relevant audit information of which the Association and Group's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board of Management in order to make themselves aware of any relevant audit information and to establish that the Association and Group's auditors are aware of that information.

Internal Control

The Board of Management has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board of Management with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

Report of the Board of Management for the year ended 31 March 2021 (cont'd)

Audit

The Board of Management has established a Group Audit Committee with clearly defined terms of reference. The main functions of the Group Audit Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The work of the external auditors also provides some assurance through the year-end audit and the provision of an internal control report.

Board of Management and Executive Officers

The members of the Board of Management and the Executive Officers of the Association are listed on page 2.

Each member of the Board of Management other than members co-opted during the year holds one fully paid share of £1 in the Association.

Independent auditors

The auditors, ASM (B) Ltd, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board

Clare McCarty

Cl McCarty
Company Secretary
24 June 2021

Independent auditors' report to the members of Clanmil Housing Association Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2021; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2021 and of the group's and association's surplus, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law)";
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and association's ability to continue as a going concern.

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the board for the financial statements

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report to the members of Clanmil Housing Association Limited (continued)

In preparing the financial statements, the board is responsible for assessing the group's and 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 group and association or to cease operations, or has no realistic alternative but to do so.

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

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:

a. We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. To address those risks we discussed the risks with client management and designed audit procedures to test the timing of revenue recognition and tested a sample of journals to confirm they were appropriate.

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 auditors' report.

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

Other required reporting

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 exception reporting
Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Brian Clerkin

Brian Clerkin (Senior Statutory Auditor)
for and on behalf of ASM (B) Ltd
Statutory Auditor
Glendinning House
6 Murray Street
Belfast
BT1 6DN
[DATE] 2021

24 June 2021

Consolidated statement of comprehensive income for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	5	**40,964,616**	37,431,900
Operating costs	6	**(27,553,158)**	(25,031,291)
Operating surplus	7	**13,411,458**	12,400,608
Surplus arising from disposals of housing property		**497,707**	779,807
Transfer to disposal proceeds fund	10	**(418,930)**	(736,521)
Interest receivable and similar income	11	**79,177**	59,072
Interest payable and similar charges	12	**(6,747,478)**	(5,589,156)
Other finance (costs)/income	13	**(26,000)**	(51,000)
Surplus on ordinary activities		**6,795,934**	6,862,810
Revaluation of Investment Properties	17	**1,007,449**	-
Actuarial gain/loss in respect of Pension scheme	34	**(1,117,000)**	905,000
Retained surplus for the financial year		**6,686,383**	7,767,810
Retained surplus brought forward		**53,852,054**	46,084,244
Retained surplus carried forward		**60,538,437**	53,852,054

All amounts above relate to continuing operations of the Group.

Consolidated statement of changes in reserves for the year ended 31 March 2021

		2021 £	2020 £
Surplus on ordinary activities		**6,795,934**	6,862,810
Movement in share capital	26	**-**	3
Revaluation of Investment Properties	17	**1,007,449**	-
Actuarial gain / loss in respect of Pension scheme	34	**(1,117,000)**	905,000
Movement in capital reserve	27	**-**	(1)
Net addition to capital and reserves		**6,686,383**	7,767,812
Opening total capital and reserves		**53,852,064**	46,084,252
Closing total capital and reserves		**60,538,447**	53,852,064

Association statement of comprehensive income for the year ended 31 March 2021

		2021	2020
		£	£
Turnover		41,389,269	37,975,569
Operating costs	6	(28,012,644)	(25,558,121)
Operating surplus	7	13,376,625	12,417,448
Surplus arising from disposals of housing property		497,707	779,807
Transfer to disposal proceeds fund	10	(418,930)	(736,521)
Interest receivable and similar income	11	64,748	69,952
Interest payable and similar charges	12	(6,747,478)	(5,589,156)
Other finance (costs)/income	13	(26,000)	(51,000)
Surplus on ordinary activities		6,746,672	6,890,530
Revaluation of Investment Properties	17	1,007,449	-
Actuarial gain/loss in respect of Pension scheme	34	(1,117,000)	905,000
Retained surplus for the financial year		6,637,121	7,795,530
Retained surplus brought forward		53,887,864	46,092,334
Retained surplus carried forward		60,524,985	53,887,864

All amounts above relate to continuing operations of the Association.

Association statement of changes in reserves for the year ended 31 March 2021

		2021	2020
		£	£
Surplus on ordinary activities		6,746,672	6,890,530
Movement in share capital	26	-	3
Revaluation of Investment Properties	17	1,007,449	-
Actuarial gain / loss in respect of Pension scheme	34	(1,117,000)	905,000
Movement in capital reserve	27	-	(1)
Net addition to capital and reserves		6,637,121	7,795,532
Opening total capital and reserves		53,887,874	46,092,342
Closing total capital and reserves		60,524,995	53,887,874

Consolidated statement of financial position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Housing properties - depreciated cost	14	**519,477,484**	511,113,777
Investment Properties	17	**13,145,350**	-
Other tangible fixed assets	16	**2,006,928**	2,247,683
Investments	18	**20,085**	20,085
		534,649,847	513,381,545
Current assets			
Assets held for resale		**-**	-
Debtors	19	**17,260,284**	9,032,589
Investments	20	**2,482,482**	2,734,070
Cash at bank and in hand	21	**8,971,435**	18,709,156
		28,714,201	30,475,815
Creditors: amounts falling due within one year	22	**(40,109,035)**	(38,006,729)
Net current assets (liabilities)		**(11,394,834)**	(7,530,914)
Total assets less current liabilities		**523,255,013**	505,850,631
Creditors: amounts falling due after more than one year	23	**(460,514,566)**	(450,791,567)
Pension deficit	34	**(2,202,000)**	(1,207,000)
Net assets		**60,538,447**	53,852,064
Capital and reserves			
Called up share capital	26	**10**	10
Revenue reserve		**60,538,437**	53,852,054
Total funds		**60,538,447**	53,852,064

The financial statements on pages 16 to 49 were approved by the Board of Management on 24th June 2021 and were signed on its behalf by:

J Scott
Chair of the Board of Management

P Fiddaman
Vice-Chair of the Board of Management

CI McCarty
Secretary of the Board of Management

Clanmil Housing Association Limited

Association statement of financial position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Housing properties - depreciated cost	14	519,477,484	511,113,777
Investment Properties	17	13,145,350	-
Other tangible fixed assets	16	1,966,086	2,247,683
Investments	18	25,087	200,087
		534,614,007	513,561,547
Current assets			
Assets held for resale		-	-
Debtors	19	14,915,923	6,175,264
Investments	20	2,482,482	2,734,070
Cash at bank and in hand	21	7,895,439	18,375,184
		25,293,844	27,284,518
Creditors: amounts falling due within one year	22	(36,666,290)	(34,959,624)
Net current assets (liabilities)		(11,372,446)	(7,675,106)
Total assets less current liabilities		523,241,561	505,886,441
Creditors: amounts falling due after more than one year	23	(460,514,566)	(450,791,567)
Pension deficit	34	(2,202,000)	(1,207,000)
Net assets		60,524,995	53,887,874
Capital and reserves			
Called up share capital	26	10	10
Revenue reserve		60,524,985	53,887,864
Total funds		60,524,995	53,887,874

The financial statements on pages 16 to 49 were approved by the Board of Management on 24th June 2021 and were signed on its behalf by:

J Scott
Chair of the Board of Management

P Fiddaman
Vice-Chair of the Board of Management

CI McCarty
Secretary of the Board of Management

Consolidated cash flow statement for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	28	**15,259,988**	17,760,870
Cash flow from investing activities			
Purchase and development of housing properties		**(30,338,926)**	(38,894,448)
Housing Association Grant and other grants		**9,756,105**	21,087,398
Voluntary Purchase Grant		**278,000**	96,000
Receipts from disposal of housing properties		**2,041,500**	679,500
Purchase of other tangible assets		**(212,146)**	(205,338)
Interest received		**(90,743)**	56,196
Net cash used in investing activities		**(18,566,210)**	(17,180,692)
Cash flows from financing activities			
New loans		**20,000,000**	20,000,000
Loan principal repayments		**(19,858,970)**	(4,041,783)
Allotment of shares		**-**	-
Interest paid		**(6,824,118)**	(5,559,552)
Net cash used in financing activities		**(6,683,088)**	10,398,665
Net Increase in cash and cash equivalents		**(9,989,310)**	10,978,843
Cash and cash equivalents at the beginning of the year		**21,443,226**	10,464,383
Cash and cash equivalents at the end of the year	29/30	**11,453,916**	21,443,226

Notes to the financial statements for the year ended 31 March 2021

1 General information

The group and association's principal activity during the financial year was providing high quality, affordable homes for rent throughout Northern Ireland and to help facilitate home ownership for people who cannot afford to purchase a home outright. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Northern Whig House, 3 Waring Street, Belfast, BT1 2DX.

2 Statement of compliance

These financial statements of Clanmil Housing Association Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102'') under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords . The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

The significant accounting policies adopted by the group are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, except for the revaluation of investment properties. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and association accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The group Statement of comprehensive income account and Statement of financial position include the financial statements of the group and its subsidiary undertakings made up to 31 March 2021. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Foreign currencies

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and association and value added taxes. The group and association bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The group and association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group and association retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the group and association and (e) when the specific criteria

3 Summary of significant accounting policies (continued)

relating to each of the group and association's sales channels have been met, as described below and in note 5.

i) Net rental income

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

ii) First tranche equity sales

Proceeds from the first tranche disposals are accounted for as turnover in the Statement of comprehensive income in the period in which the disposal occurs.

iii) Other income

Other income is recognised in the Statement of comprehensive income and retained earnings when the terms of revenue recognition have been met.

Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the benefit is received.

ii) Defined contribution pension plans

The group operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

iii) Multi-employer pension plan

The Group operates a defined benefit scheme through the Social Housing Pension Scheme (SHPS). From the year ended 31 March 2019, it was possible for the first time for the Group to account for the plan as a defined benefit plan. It previously accounted for the plan as a defined contribution scheme. Similar to the year end 31 March 2020, the assets and liabilities relating to the defined benefit plan have been recognised in the financial statements as at 31 March 2021 (note 34).

The assets of SHPS are held separately from those of the Group. The Group has adopted section 28 of FRS 102 in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measures using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Association's defined pension scheme arising from the employee service in the year is charged to operating surplus. The net interest on the deficit or surplus is included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

Tangible fixed assets

Housing properties

The group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

Notes to the financial statements for the year ended 31 March 2021

Other housing properties

For housing acquired by the Association to provide a supply of affordable homes on an equity sharing basis, sales proceeds are accounted for in the Statement of comprehensive income account with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. The Association's share of the costs of developing the property are disclosed in tangible fixed assets – housing properties (note 14).

Investment Properties

Commercial properties and residential properties for market rent are held at market valuation in the Statement of Financial Position (note 17). The aggregate surplus or deficit arising from any movement in year end valuation is accounted for in the Statement of Comprehensive Income

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

In line with the requirements of the Housing SORP, Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included as 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year' rather than set against the capital cost and are amortised to the Statement of comprehensive income as per the turnover policy above. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

Depreciation and Impairment

Housing properties

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight line basis over their expected use economic lives.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	80 years
Roof structure and coverings	80 years
Windows and external doors	27 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	25 years
Mechanical systems (heating, ventilation, plumbing)	27 years
Electrics	40 years
Lift	25 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

3 Summary of significant accounting policies (continued)

Other tangible fixed assets

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	-	2% on cost
Office furniture and fittings	-	10% to 20% on cost
Fixed asset property	-	10% on cost
Motor vehicles	-	25% on cost

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of comprehensive income.

Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

Cash and cash equivalents

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

Current asset investments

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

Investment in subsidiary company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Impairment of non-financial assets

At each Statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

Notes to the financial statements for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income and retained earnings.

i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of comprehensive income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of comprehensive income and retained earnings.

3 Summary of significant accounting policies (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in Statement of comprehensive income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Disposal proceeds fund

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be utilised by the Association (note 10).

If the surpluses are not used within two years of receipt, they may be payable in part or in full to the Department for Communities.

Restricted fund

Under the terms of the Supporting People Funding Agreement (Schedule 8, paragraph 4) Supporting People funding must be identified as a Restricted Fund. Income and expenditure relating to Supporting People has been denoted as restricted (note 37). Supporting People reserves, if applicable, are held separately and denoted as Restricted Funds. Any deficit is offset against a general reserve.

Notes to the financial statements for the year ended 31 March 2021

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Group and Association financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group and Association financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of housing properties
The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

There are no other critical accounting estimates and assumptions.

5 Analysis of turnover

Turnover and results relate to the group's main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for housing with care, net of voids. It also includes first tranche equity share sales, amortisation of grants, income arising on the lease of a property to a related company, services provided to other Housing Associations and special needs management allowance (interim protection) received for the provision of housing with care.

6 Operating costs

	Group		Association	
	2021	2020	**2021**	2020
	£	£	**£**	£
Direct costs	**22,616,504**	20,413,131	**23,558,064**	21,589,426
Administrative expenses	**4,936,654**	4,618,161	**4,454,580**	3,968,695
	27,553,158	25,031,292	**28,012,644**	25,558,121

Notes to the financial statements for the year ended 31 March 2021

7 Operating surplus

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
This is stated after charging/(crediting):				
Staff costs (note 8)	7,627,853	6,845,373	7,627,853	6,845,373
Depreciation	8,527,050	8,651,485	8,350,650	8,651,485
Impairment of CDL Shares	-	-	175,000	-
Amortisation of grant	(6,246,744)	(6,179,297)	(6,246,744)	(6,179,297)
Release of capital grant	-	(777)	-	(777)
Auditors' remuneration				
– audit services	15,949	18,899	11,634	11,634
– non-audit services	1,000	1,000	-	-

8 Employee information

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Staff costs				
Wages and salaries	6,297,460	5,688,832	6,297,460	5,688,832
Social security costs	518,382	458,527	518,382	458,527
Other pension costs	812,011	698,014	812,011	698,014
	7,627,853	6,845,373	7,627,853	6,845,373

	2021	2020	2021	2020
Average monthly number of persons employed during the financial year by activity:				
Administration	144	135	144	135
Scheme co-ordinators and ancillary staff	89	92	89	92
Supported housing	68	63	68	63
	301	290	301	290

9 Management team's emoluments

The remuneration of the management team of the Association during the year was:

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Aggregate emoluments	504,954	504,881	504,954	504,881
Pension contributions	116,366	97,268	116,366	97,268
	621,320	602,150	621,320	602,150

9 Management team's emoluments (continued)

The emoluments to the highest paid management team member (currently included within the above table) are as follows:

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Aggregate emoluments	120,504	120,333	120,504	120,333
Pension contributions	27,105	23,080	27,105	23,080
	147,609	143,413	147,609	143,413

The number of management team members to whom emoluments were paid during the year falls within each of the following bands:

Salary Band:	Group 2021 No	Group 2020 No	Association 2021 No	Association 2020 No
£120,000-£125,000	1	1	1	1
£85,000 - £90,000	1	-	1	-
£80,000 - £85,000	1	2	1	2
£75,000 - £80,000	1	1	1	1
£70,000 - £75,000	2	2	2	2
	6	6	6	6

Members of the Board of Management serve in a voluntary capacity and none were in receipt of emoluments during the year.

The Board and Committee members were reimbursed for expenses totalling £nil during the year (2020: £2,562).

10 Transfer to disposal proceeds fund

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Proceeds of disposal	720,000	1,202,500	720,000	1,202,500
Depreciation on properties disposed	(301,070)	(465,979)	(301,070)	(465,979)
	418,930	736,521	418,930	736,521
Utilisation of disposal proceeds fund	-	(147,652)	-	(147,652)
	418,930	588,869	418,930	588,869

Notes to the financial statements for the year ended 31 March 2021

11 Interest receivable and similar income

	Group 2021 £	2020 £	Association 2021 £	2020 £
Interest receivable	79,177	59,072	64,748	69,952

12 Interest payable and similar charges

	Group 2021 £	2020 £	Association 2021 £	2020 £
Housing property loans	6,744,920	5,586,369	6,744,920	5,586,369
Bank interest and charges	2,558	2,787	2,558	2,787
	6,747,478	5,589,156	6,747,478	5,589,156

13 Other finance costs

	Group 2021 £	2020 £	Association 2021 £	2020 £
Other finance costs arising on pension scheme	26,000	51,000	26,000	51,000

Notes to the financial statements for the year ended 31 March 2021

14 Tangible fixed assets - housing properties

Group and Association	Social Housing Properties Held for Lettings 2021 £	Social Housing Properties under construction 2021 £	Equity Share Properties Held for Letting 2021 £	Equity Share Properties under Construction 2021 £	Total 2021 £
Cost					
At 1 April 2020	558,767,721	14,471,362	2,502,424	-	575,741,507
Reclassification to Investment Properties	(11,227,425)	(1,099,622)	-	-	(12,327,047)
Additions - Schemes Completed	34,501,571	(34,501,571)	-	-	-
Additions - Capitalised Planned Maintenance	1,411,732	-	-	-	1,411,732
Work in Progress	-	28,066,445	-	401,894	28,468,339
Disposals	(1,666,515)	-	-	-	(1,666,515)
At 31 March 2021	581,787,084	6,936,614	2,502,424	401,894	591,628,016
Depreciation					
At 1 April 2020	(64,561,675)	-	(66,055)	-	(64,627,730)
Reclassification to Investment Properties	411,060	-	-	-	411,060
Charge for the year	(8,370,072)	-	(18,368)	-	(8,388,440)
Disposals	454,578	-	-	-	454,578
At 31 March 2021	(72,066,109)	-	(84,423)	-	(72,150,532)
Net book value					
At 31 March 2021	509,720,975	6,936,614	2,418,000	401,894	519,477,484
At 31 March 2020	494,206,046	14,471,362	2,436,369	-	511,113,777
Net book amount comprises:					
Freehold property	358,235,432	6,936,614	1,026,943	401,894	366,600,882
Long leasehold property	151,485,543	-	1,391,058	-	152,876,601
	509,720,975	6,936,614	2,418,001	401,894	519,477,484
Net book amount comprises:					
- Completed schemes	509,720,975	-	599,716	-	510,320,691
- Properties under construction	-	6,936,614	1,818,286	401,894	9,156,793
	509,720,975	6,936,614	2,418,001	401,894	519,477,484

Notes to the financial statements for the year ended 31 March 2021

15 Tangible fixed assets – Housing Association and other grants

Group and Association	Social Housing Properties Held for Lettings 2021 £	Social Housing Properties under construction 2021 £	Total 2021 £
Housing Association and other grants			
At 1 April 2020	(337,707,197)	(2,756,846)	(340,464,043)
Additions - Schemes Completed	(17,371,700)	17,371,700	-
Work in Progress	-	(16,734,134)	(16,734,134)
Disposals	776,940	-	776,940
At 31 March 2021	(354,301,957)	(2,119,280)	(356,421,237)
Amortisation			
At 1 April 2020	50,346,343	-	50,346,343
Charge for the year	6,246,744	-	6,246,744
Disposals	(299,291)	-	(299,291)
At 31 March 2021	56,293,796	-	56,293,797
Net book value			
At 31 March 2021 (notes 22/23)	(298,008,160)	(2,119,280)	(300,127,440)
At 31 March 2020	(287,360,854)	(2,756,846)	(290,117,700)

16 Other tangible fixed assets

Association	Freehold buildings £	Office furniture and equipment £	Fixed asset property £	Motor vehicles £	Total £
At 1 April 2020	2,647,110	2,174,902	7,600	65,550	4,895,162
Additions	-	212,146	-	-	212,146
Transfer to Investments	(436,773)	-	-	-	(436,773)
At 31 March 2021	**2,210,337**	**2,387,047**	**7,600**	**65,550**	**4,670,534**
Depreciation					
At 1 April 2020	1,250,841	1,323,488	7,600	65,550	2,647,479
Charge for year	64,782	207,046	-	-	271,828
Transfer to Investments	(214,859)	-	-	-	(214,859)
At 31 March 2021	**1,100,764**	**1,530,534**	**7,600**	**65,550**	**2,704,448**
Net book amount					
At 31 March 2021	**1,109,572**	**856,514**	-	-	**1,966,086**
At 31 March 2020	1,396,269	851,414	-	-	2,247,683

Group other tangible fixed assets include leaseholder improvements of £40,842

Notes to the financial statements for the year ended 31 March 2021

17 Investment Property

Association	Commercial/ Private Properties Held for Letting 2021 £	Commercial/ Private Properties under Contruction 2021 £	Total 2021 £
Valuation			
At 1 April 2020			
Reclassification to Investment Properties	12,357,467	1,099,622	13,457,089
Reclassification to Investment Properties From Other Tangible Assets	436,773	-	436,773
Gain on Revaluation	1,007,449	-	1,007,449
At 31 March 2021	13,801,688	1,099,622	14,901,310
Depreciation			
At 1 April 2020			
Reclassification to Investment Properties	(411,060)	-	(411,060)
Reclassification to Investment Properties From Other Tangible Assets	(214,859)	-	(214,859)
At 31 March 2021	(625,919)	-	(625,919)
Net book value			
At 31 March 2021	13,175,770	1,099,622	14,275,392
Net book amount comprises:			
Freehold property	9,586,148	-	9,586,148
Long leasehold property	3,589,622	1,099,622	4,689,244
	13,175,770	1,099,622	14,275,392
Net book amount comprises:			
- Completed schemes	13,175,770	-	13,175,770
- Properties under construction	-	1,099,622	1,099,622
	13,175,770	1,099,622	14,275,392

The valuation of investment properties held for letting was carried out at 31 March 2021 and is based on their market value as at that date. The valuations across the Group were carried out by CBRE Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors ("RICS") Valuation – Global Standards and the UK national supplement using qualified chartered surveyors who had sufficient current local and national knowledge of the particular market, and skills and understanding to undertake the valuation competently. Investment properties under construction are valued at cost. The companies have adopted the provisions under section 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment properties (fair value movements being taken to the Statement of Comprehensive Income). On consolidation of the Group's housing property values, any unrealised surpluses deriving from inter-group property sales are removed.

Notes to the financial statements for the year ended 31 March 2021

18 Investments

Group

	2021
	£
Cost	
At 1 April 2020	20,085
Additions	-
Disposals	-
At 31 March 2021	**20,085**

The group owns an investment in share capital in MORHOMES PLC, a company registered in England and Wales. The company's registered address is the 8th Floor, 71 Queen Victoria Street, London, Greater London, EC4V 4AY. The company's principal activity is a financial intermediation.

Association	**Total**
	£
Cost	
At 1 April 2020	200,087
Impairment	(175,000)
At 31 March 2021	**25,087**

As well as the Group investments listed above the investment represents the Association's holding in wholly owned subsidiary companies, (i) Clanmil Properties Limited, (ii) Milbreen Limited and (iii) Clanmil Developments Limited. The registered addresses of these companies are Northern Whig House, 3 Waring Street, Belfast, BT1 2DX. The principal activities of these companies are (i) the management of commercial property rentals and the provision of services to housing associations and property management companies (ii) dormant company and (iii) the provision of property development services. Clanmil Developments Limited carried out a capital reduction in 2019 and paid up a covenanted donation to the Association. The Association has therefore reduced the cost of its investment to reflect this.

19 Debtors

	2021	2020	**2021**	2020
	£	£	**£**	£
Rental Debtors Gross – Technical	**1,589,595**	1,332,456	**1,589,595**	1,332,456
Rental Debtors Gross – Non-technical	**832,939**	953,388	**832,939**	953,388
Provision for bad debts	**(1,493,726)**	(1,248,546)	**(1,493,726)**	(1,248,546)
Net rental (including rates, service charges) debtors	**928,808**	1,037,298	**928,808**	1,037,298
Other Debtors	**1,370,776**	1,539,625	**1,252,759**	1,121,291
Prepayments and accrued income	**4,847,706**	5,254,297	**1,788,561**	1,706,713
Housing Association Grant receivable	**10,112,994**	1,187,210	**10,112,994**	1,187,210
Amounts owed to related parties	-	14,159	-	-
Amounts owed by subsidiary undertakings (Note 38)	-	-	**832,801**	1,122,752
	17,260,284	9,032,589	**14,915,923**	6,175,264

Amounts owed by subsidiary undertakings and related undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements for the year ended 31 March 2021

20 Current asset - Investments

	Group		Association	
	2021	2020	**2021**	2020
	£	£	**£**	£
Short term deposits – Funds received from DfC – Affordable Homes Loan Funding	**1,203,821**	1,203,821	**1,203,821**	1,203,821
Short term deposits – Funds received from DfC – Empty Homes Loan Funding	**1,278,661**	1,010,000	**1,278,661**	1,010,000
Short term deposits - Other	**-**	520,249	**-**	520,249
Total Short term deposits	**2,482,482**	2,734,070	**2,482,482**	2,734,070

This represents cash held on deposit with an original maturity between 1 and 12 months. At the balance sheet date the average maturity of the deposits was 3 months. The average interest rate was 0.5% (2020: 0.85%).

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

21 Cash at bank and in hand

	Group		Association	
	2021	2020	**2021**	2020
			£	£
Funds received from DfC – Empty Homes Loan Funding	**46,339**	-	**46,339**	-
Other cash balances held short term	**8,925,096**	18,709,156	**7,941,778**	18,375,184
	8,971,435	18,709,156	**7,988,117**	18,375,184

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

Notes to the financial statements for the year ended 31 March 2021

22 Creditors: amounts falling due within one year

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (Note 24)	2,546,651	3,988,694	2,546,651	3,988,694
DfC loans (Note 24)	3,140,058	254,032	3,140,058	254,032
Other taxes and social security	62,387	172,461	62,387	172,461
Rent, rates and service charges received in advance	842,228	834,826	842,228	834,826
Housing Association Grant in advance	12,986,552	11,166,263	12,986,552	11,166,263
Deferred historic building grant	22,668	22,668	22,668	22,668
Other creditors	8,757,554	2,896,562	7,909,088	1,457,369
Amounts owed to subsidiary undertakings	-	-	569,128	2,658,178
Services equalisation account - general	274,637	436,834	274,637	436,834
Accruals and deferred income	6,226,203	12,387,011	3,062,796	8,120,921
Disposal proceeds fund	1,090,625	354,104	1,090,625	354,104
Housing Association Grant (Note 15)	4,159,472	5,493,274	4,159,472	5,493,274
	40,109,035	38,006,729	36,666,290	34,959,624

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

23 Creditors: amounts falling due after more than one year

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (Note 24)	155,484,264	153,647,159	155,484,264	153,647,159
DfC loans (Note 24)	8,643,364	11,783,421	8,643,364	11,783,421
Disposal proceeds fund	418,969	736,561	418,969	736,561
Housing Association grants and other grants (Note 15)	295,967,969	284,624,426	295,967,969	284,624,426
	460,514,566	450,791,567	460,514,566	450,791,567

The surplus on the disposal proceeds fund must be used within two years of the sale of the property.

Notes to the financial statements for the year ended 31 March 2021

24 Loans

	Group 2021 £	2020 £	Association 2021 £	2020 £
Bank loans - Housing property and other loans				
Less than one year, or on demand (Note 22)	**2,546,651**	3,988,694	**2,546,651**	3,988,694
Between one and two years	**12,644,352**	13,879,984	**12,644,352**	13,879,984
Between two and five years	**19,836,739**	12,176,496	**19,836,739**	12,176,496
After more than five years	**123,003,173**	127,590,679	**123,003,173**	127,590,679
	158,030,915	157,635,853	**158,030,915**	157,635,853

Security

The Danske Bank holds a mortgage over related housing properties as security.
First Trust, Ulster Bank and Barclays loans are secured by way of mortgages upon the deeds of the related housing properties.
The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties.

	Group 2021 £	2020 £	Association 2021 £	2020 £
Department for Communities - Housing Property Loans				
Less than one year (Note 22)	**3,140,058**	254,032	**3,140,058**	254,032
Between one and two years	**161,034**	3,140,058	**161,034**	3,140,058
Between two and five years	**382,329**	443,363	**382,329**	443,363
After more than five years	**8,100,000**	8,200,000	**8,100,000**	8,200,000
	11,783,421	12,037,453	**1,783,421**	12,037,453

Notes to the financial statements for the year ended 31 March 2021

25 Financial instruments

The group has the following financial instruments:

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Financial assets that are cash instruments measured at amortised cost				
Rental debtor (note 19)	928,808	1,037,298	928,808	1,037,298
Other debtors (note 19)	1,370,777	1,539,625	1,252,759	1,121,291
Housing association grants - receivable (note 19)	10,112,994	1,187,210	10,112,994	1,187,210
Amounts owed by subsidiary undertakings (note 19)	-	-	832,801	1,122,752
Amounts owed by related parties (note 19)	-	14,159	-	-
Accrued income (note 19)	135,643	110,159	-	57,639
Investments (note 20)	2,482,482	2,734,070	2,482,482	2,734,070
Cash at bank and in hand (note 21)	8,971,435	18,709,154	7,895,439	18,375,182
	24,002,139	25,331,675	23,505,283	25,635,442
Financial liabilities measured at amortised cost				
DfC loans (note 22/23)	11,783,421	12,037,453	11,783,421	12,037,453
Bank loans (note 24)	158,030,915	157,635,854	158,030,915	157,635,854
Amounts owed to subsidiary undertakings (note 22)	-	-	569,128	2,658,178
Other creditors (note 22)	8,757,554	2,896,562	7,909,088	1,457,369
Accruals (note 22)	5,360,092	11,852,833	2,196,684	7,586,743
	183,931,982	184,422,702	180,489,236	181,375,597

26 Called up share capital.

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Ordinary shares of £1 each, fully paid				
At 1 April 2020	10	7	10	7
Transfer from capital reserve	-	1	-	1
Allotted during the year	-	2	-	2
At 31 March 2021	10	10	10	10

Notes to the financial statements for the year ended 31 March 2021

27 Capital reserve

	Group		Association	
	2021	2020	**2021**	2020
	£	£	**£**	£
At 1 April 2020	-	1	-	1
Transfer to share capital	-	(1)	-	(1)
At 31 March 2021	-	-	-	-

28 Net cash inflow from operating activities - Group

	2021	2020
	£	£
Surplus on ordinary activities	**6,795,935**	6,862,810
(Surplus)/deficit arising from disposals of other fixed assets	-	-
Surplus arising from disposals of housing property	**(497,707)**	(779,807)
Transfer to disposal proceeds fund	**418,930**	736,521
Interest receivable and similar income	**(79,177)**	(59,072)
Interest payable and similar charges	**6,747,478**	5,589,156
Other finance costs	**26,000**	51,000
Operating surplus	**13,411,459**	12,400,608
Movement in service charges equalisation account	**(162,196)**	(147,257)
Depreciation charge	**8,527,050**	8,651,485
Revaluation of Investment Properties	**1,007,449**	-
Amortisation charge	**(6,966,243)**	(6,179,297)
Release of capital grant	-	(777)
Movement in debtors	**3,921,500**	5,693,551
Movement in creditors	**(4,479,031)**	(2,657,443)
Movement in assets held for resale	-	-
Net cash inflow from operating activities	**15,259,988**	17,760,870

29 Analysis of net debt

	At 1 April 2020	Cashflow	**31 March 2021**
	£	£	**£**
Cash at bank and in hand	18,709,156	(9,737,722)	**8,971,434**
Short term investments	2,734,070	(251,588)	**2,482,482**
Cash and cash equivalents	21,443,226	(9,989,310)	**11,453,916**
Debt due after one year	(165,430,580)	1,302,953	**(164,127,627)**
Debt due within one year	(4,242,727)	(1,443,982)	**(5,686,709)**
	(148,230,081)	(10,130,339)	**(158,360,420)**

Notes to the financial statements for the year ended 31 March 2021

30 Reconciliation of net cash flow to movement in net debt

	2021 £	2020 £
(Decrease) / increase in cash and cash equivalents and in financial year	(9,989,310)	10,978,843
Repayment of loans	19,858,971	4,041,781
New loans	(20,000,000)	(20,000,000)
Movement in share capital	-	2
Movement in net debt in the financial year	(10,130,339)	(4,979,374)
Net debt at 1 April	(148,230,081)	(143,250,707)
Net debt at 31 March	(158,360,420)	(148,230,081)

31 Turnover, operating costs and operating surplus - Association

Turnover, operating costs and operating surplus			2021	2020
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Surplus £
Social Housing Activities	38,198,172	25,950,800	12,247,372	11,349,679
Non-Social Housing Activities	3,191,097	2,061,844	1,129,253	1,067,769
Total	41,389,269	28,012,644	13,376,625	12,417,448

32 Housing Stock - Association

Number of units owned on 31 March	2021	2020
Self-contained		
General needs housing	3,518	3,448
Supported Housing (including housing with care)	122	127
Sheltered Housing	1,581	1,540
Shared Ownership/Affordable Housing	161	107
	5,382	5,222
Non Self-contained		
Supported	135	90
Total Units Owned	5,517	5,312

Number of units managed (but not owned) on 31 March

Self-contained		
General needs	20	20
Total Units Owned and Managed	5,537	5,332

Notes to the financial statements for the year ended 31 March 2021

33 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association

Turnover, operating costs and operating surplus or deficit from social housing activities	2021 General Needs Housing	Independendant Living & Elderly	Residential Care Homes	Supported Housing	Total Social Housing	Other Income	Total	2020 Total
	£	£	£	£	£	£		£
Income from Social Housing Lettings								
Rent Receivable net of service charges	20,392,285	6,206,474	1,304,575	589,632	28,492,966	852,568	29,345,534	27,372,565
Service charges receivable	1,089,837	2,590,316	-	363,505	4,043,658	-	4,043,658	3,938,163
Supporting People, Covid 19 Hardship Funding *	-	15,634	-	12,243	27,877	-	27,877	-
First tranche equity share / outright sales	-	-	-	-	-	1,813,320	1,813,320	180,031
Other	31,862	44,831	134,112	14,258	225,063	615,870	840,933	826,819
Income from SHG/HAG	4,813,015	1,234,573	6,949	192,207	6,246,744	-	6,246,744	5,942,514
Income from other Grants (SNMA)	-		99,872	-	99,872	-	99,872	99,056
Income from other grants (TBUC)	319,840	-	-	-	319,840	-	319,840	332,462
Less voids	(353,579)	(549,118)	(273,971)	(81,180)	(1,257,848)	(90,661)	(1,348,509)	(716,041)
Net Income from rents and service charges	26,293,260	9,542,710	1,271,537	1,090,665	38,198,172	3,191,097	41,389,269	37,975,569
Operating Costs								
Services	982,829	1,936,445	440,175	236,820	3,596,269	-	3,596,269	3,644,658
Supporting People Costs	-	782,980	-	104,420	887,400	-	887,400	770,517
Care Costs	-	-	717,189	-	717,189	-	717,189	679,920
Management Costs	2,041,584	866,220	253,373	111,361	3,272,538	139,496	3,412,034	3,180,474
Maintenance Administration Costs	1,050,617	472,151	-	64,507	1,587,275	23,159	1,610,434	1,510,165
Planned and cyclical maintenance	696,638	330,419	-	77,382	1,104,439	23,142	1,127,581	1,074,947
Reactive maintenance	2,060,392	747,336	88,560	133,517	3,029,805	80,085	3,109,890	3,297,153
Major repairs	20,726	13,629	-	469	34,824	(4,007)	30,817	984
Depreciation of housing properties	6,594,950	1,399,307	21,283	244,440	8,259,980	193,759	8,453,739	8,403,139
Bad Debts (rent and service charges)	263,136	41,607	-	3,290	308,033	40,933	348,966	450,449
Rates Payable	2,421,097	633,819	-	11,530	3,066,446	76,544	3,142,990	3,049,143
Other Costs	204,126	(130,347)	1,466	11,357	86,602	1,488,733	1,575,335	(503,428)
Total Operating Costs	16,336,095	7,093,566	1,522,046	999,093	25,950,800	2,061,844	28,012,644	25,558,121
Operating Surplus / (Deficit)	9,957,165	2,449,144	(250,509)	91,572	12,247,372	1,129,253	13,376,625	12,417,448

Notes to the financial statements for the year ended 31 March 2021

33 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)

*An amount of £5,519 of Supporting People COVID-19 hardship funding was received in advance. It is not included in income above but has been taken to a Supporting People Restricted Reserve and included in Creditors.

	Association	
	2021	2020
DSD Allowances - General Needs	**£**	£
Management Allowances	**1,498,668**	**1,434,784**
Management Costs	(2,041,584)	(1,859,405)
Surplus / Deficit	**(542,916)**	**(424,621)**
Maintenance Allowances	**1,788,568**	**1,710,747**
Planned and cyclical maintenance	(696,638)	(486,262)
Reactive maintenance	(2,060,392)	(2,057,773)
Surplus / Deficit	**(968,462)**	**(833,288)**
Gross Income from Rents and service charges (Social Housing)		
Technical	24,160,891	19,311,119
Non Technical	8,628,674	11,311,706
Total	**32,789,565**	**30,622,825**

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

Notes to the financial statements for the year ended 31 March 2021

34 Pension commitments

The Association participates in the defined benefit section of the Social Housing Pension Scheme (SHPS). The Association offers a hybrid arrangement where employees can join the Career Average Revalued Earnings (CARE) structure with a 1/120th accrual rate, as well as receiving contributions from the Association to the defined contribution section of SHPS.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS 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 SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every 3 years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2017. This valuation revealed a total scheme deficit of £1,522m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 30 September 2026. The Association expects to pay £181k towards the funding deficit in SHPS during the accounting year beginning 1 April 2021 The Association's share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation as at 30 September 2020, is due in September 2021.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Fair value of plan assets	**8,040**	6,566
Present value of defined benefit obligation	**(10,242)**	(7,773)
Surplus (deficit) in plan	**(2,202)**	(1,207)
Defined benefit asset (liability) to be recognised	**(2,202)**	(1,207)

Notes to the financial statements for the year ended 31 March 2021

34 Pension commitments (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period ended 31 March 2021 (£000s)
Defined benefit obligation at start of period	7,773
Current service cost	290
Expenses	8
Interest expense	181
Member contributions	11
Actuarial losses (gains) due to scheme experience	157
Actuarial losses (gains) due to changes in demographic assumptions	33
Actuarial losses (gains) due to changes in financial assumptions	1,850
Benefits paid and expenses	(61)
Defined benefit obligation at end of period	10,242

Reconciliation of opening and closing balances of the fair value of plan assets

	Period ended 31 March 2021 (£000s)
Fair value of plan assets at start of period	6,566
Interest income	155
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	923
Employer contributions	446
Member contributions	11
Benefits paid and expenses	(61)
Fair value of plan assets at end of period	8,040

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,078,000.

Notes to the financial statements for the year ended 31 March 2021

34 Pension commitments (continued)

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	Period from 31 March 2020 to 31 March 2021 (£000s)
Current service cost	290
Expenses	8
Net interest expense	26
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	324

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	923
Experience gains and losses arising on the plan liabilities - gain (loss)	(157)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(33)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,850)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(1,117)
Total amount recognised in Other Comprehensive Income - gain (loss)	(1,117)

Notes to the financial statements for the year ended 31 March 2021

34 Pension commitments (continued)

Assets	31 March 2021 (£000s)	31 March 2020 (£000s)
Global Equity	1,281	960
Absolute Return	444	342
Distressed Opportunities	232	126
Credit Relative Value	253	180
Alternative Risk Premia	303	459
Fund of Hedge Funds	1	4
Emerging Markets Debt	325	199
Risk Sharing	293	222
Insurance-Linked Securities	193	202
Property	167	145
Infrastructure	536	489
Private Debt	192	132
Opportunistic Illiquid Credit	204	159
Corporate Bond Fund	475	374
High Yield	241	-
Opportunistic credit	220	-
Liquid Credit	96	3
Long Lease Property	158	114
Secured Income	334	249
Liability Driven Investment	2,043	2,179
Net Current Assets	49	28
Total assets	**8,040**	6,566

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.20%	2.30%
Inflation (RPI)	3.20%	2.70%
Inflation (CPI)	2.60%	1.70%
Salary Growth	3.10%	2.20%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:	Life expectancy at age 65 (Years)
Male retiring in 2021	21.4
Female retiring in 2021	23.3
Male retiring in 2041	22.7
Female retiring in 2041	24.9

Notes to the financial statements for the year ended 31 March 2021

35 Contingent liabilities

The Association released Housing Association Grant (net of amortisation) of £477,649 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant released at 31 March 2021 is £4,661,547. The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2021 is £56,293,795. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

36 Capital commitments - Housing Properties – Association

	2021 £	2020 £
Capital expenditure		
Contracted for but not provided in the financial statements	**48,325,507**	31,309,656

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by private finance, both external and internal.

37 Restricted fund – Supporting People

	Total £
Income relating to Supporting People funding	526,964
Expenditure relating to Supporting People funding	(632,350)
At 31 March 2021	(105,386)

Notes to the financial statements for the year ended 31 March 2021

38 Related party disclosures

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2021	2020
	£	£
Amounts owed by subsidiary undertakings (note 19)		
Clanmil Properties Limited	69,976	-
Clanmil Developments Limited	762,825	1,122,752

	2021	2020
	£	£
Amounts owed to subsidiary undertakings (note 22)		
Clanmil Properties Limited	14,040	9,173
Clanmil Developments Limited	555,088	2,649,005

Transactions between these related parties during the year were as follows:	2021	2020
	£	£
Clanmil Properties Limited		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	148,443	148,955
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	42,709	56,501
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	1,792	1,792
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	120,353	82,923
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	112,625	112,625
Clanmil Developments Limited		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	287,364	424,976
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	6,172,338	19,552,540
Loan interest charged by Clanmil Housing Association Limited to Clanmil Developments Limited	14,429	10,880
Clanmil Housing Association Ireland Limited		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Housing Association Ireland Limited	-	5,281