

St. Luke's Housing Society Limited
Financial Statements for the Year Ended
31 March 2021

Co-operative and Community Benefit Society Number 15866

Homes England Number L1824

St. Luke's Housing Society Limited

Contents

	Page
Administrative Information	2
Chairman's Report	3 - 4
Statement of Board of Management Responsibilities	5
Independent Auditors' Report	6 - 8
Statement of Comprehensive Income	9
Statement of changes in reserves	10
Statement of Financial Position	11
Notes to the Financial Statements	12 - 19

St. Luke's Housing Society Limited

Administrative Information As at 31 March 2021

Registered under the Co-operative and Community Benefit Societies Act 2014 and as a Housing Society under the Housing Act 1974.

Registered and Administrative Office: 7 McMaster House
Latimer Road
Headington
Oxford OX3 7PX

Chairman: Malcolm Fearn

Board of Management: Sarah Davies
Richard Eve
Peter Hendricks
Linda Hobbs
Geoff Meen
Tony Wigley

Staff:
General Manager Jo Dancer
House Manager Shimbo Chand
Handyperson Malcolm Parker
Handyperson Trudy Cox

Solicitors: Challenor Gardiner
29 New Inn Hall Street
Oxford OX1 2DH

Independent Auditors: Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers: Lloyds bank plc
87 London Road
Headington
Oxford OX3 9AB

St. Luke's Housing Society Limited

Chairman's Report For the Year Ended 31 March 2021

There have been two major influences on this year.

The first was the building work on our extension which has increased the number of flats for rent to 38. This will give us an increase in rental income, provided that we can continue to find sufficient tenants. As I write this in May 2021 all flats are occupied and we are very confident that we can continue to make good use of our estate.

The building work has been completed with minimum disruption to our tenants thanks both to the hard work of our staff and the co-operation of the builders. The plan to hold a small ceremony to signal completion was cancelled due to the second influence of the year – Covid 19.

Covid 19 caused us to make some significant changes to the way we operate and I must thank all our staff for willingly undertaking changes to their working patterns and job descriptions.

Whilst both of the above have had an effect on tenants our staff have worked hard to provide a safe and healthy environment.

We thank our tenants for their understanding and forbearance during a difficult year.

As a result of Covid the Board has not been able to visit MacMaster House and so meetings have been held via Zoom with telephone calls and emails replacing face to face meetings. Not ideal but the best that could be done whilst respecting the Covid restrictions.

During the year our General Manager, Sue Fisher, retired after some five years of service to St Luke's.

On behalf of the Board I thank Sue for her work and dedication, culminating in overseeing the successful completion of the extension.

In January Jo Dancer joined us as General Manager. She has not had a straightforward induction as she joined in the midst of Covid restrictions.

However she has quickly settled in, getting to know staff and tenants.

Richard Eve took over as chair of the Finance Committee at a time when our reserves were depleted paying for the extension as can be seen from the accounts. We plan to build up our reserves gradually without detracting from the level of service and quality of accommodation that we provide.

In a change of policy during the year, the Refurbishment Fee was cancelled and refunded to those tenants who had paid. This has also had an effect on our reserves.

Linda Hobbs has continued to chair the Strategy and Governance Committee, ensuring that our Policies and Procedures are fit for purpose and are being adhered to.

Tony Wigley – Vice Chairman – works with our House Manager Shim Chand to ensure that we carefully select new tenants and have a list of potential tenants so that we can minimise voids.

One of our newer Board Members – Sarah Davies - resigned during the year and we thank her for her contribution. She has not yet been replaced.

With our new General Manger we look forward to continuing to build on the quality of service that we are able to offer.

Malcolm Fearn

Chairman

A handwritten signature in black ink, appearing to read 'M Fearn', written over a horizontal line.

Date: 5/11/21



St. Luke's Housing Society Limited

Statement of Board of Management Responsibilities

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Registered Social Landlord and of the surplus or deficit for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make 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 a going concern basis unless it is inappropriate to presume that the Registered Social Landlord will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Registered Social Landlord and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England in 2012. It has general responsibility for taking reasonable steps to safeguard the assets of the Registered Social Landlord and to prevent and detect fraud and other irregularities.

St. Luke's Housing Society Limited

Independent Auditor's Report to the members of St. Luke's Housing Society Limited

Opinion

We have audited the financial statements of St Luke's Housing Society Limited (the "society") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board of management are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

St. Luke's Housing Society Limited

Independent Auditor's Report to the members of St. Luke's Housing Society Limited

Matters on which we are required to report by exception

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

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

As explained more fully in the board of management's responsibilities statement, the board of management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board of management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the board of management are responsible for assessing the society'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 of management either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the society through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the society.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

St. Luke's Housing Society Limited

Independent Auditor's Report to the members of St. Luke's Housing Society Limited

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Critchleys Audit LLP
Beaver House,
23-38 Hythe Bridge Street,
Oxford,
OX1 2EP

Date 16 December 2021


St. Luke's Housing Society Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	2	239,232	227,029
Operating expenditure	2	(239,209)	(209,250)
Other income	3	<u>7,429</u>	<u>9,719</u>
Operating surplus		<u>7,452</u>	<u>27,498</u>
Interest Receivable	5	1,061	3,836
Interest and financing costs	6	(16,710)	(13,412)
Movement in fair value of financial instruments	12	-	269
Realised gains on financial instrument	12	<u>846</u>	<u>11,885</u>
(Deficit)/Surplus before tax		(7,351)	30,076
Taxation	10	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(7,351)</u>	<u>30,076</u>

The financial statements were approved by the board on 31 March 2021


.....
Chairman


.....
Board member

The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

St. Luke's Housing Society Limited
Statement of Changes in Equity for the Year Ended 31 March 2021

		General Reserve £	Designated £	Total £
Balance at 1 April 2020		468,671	172,869	641,540
Surplus/(deficit) from statement of comprehensive income		<u>(7,351)</u>	<u>-</u>	<u>(7,351)</u>
Balance at 31 March 2021	16	<u>461,320</u>	<u>172,869</u>	<u>634,189</u>


St. Luke's Housing Society Limited

Statement of Financial Position
As at 31 March 2021

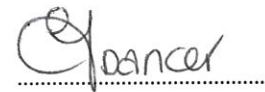
	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		1,148,062		1,159,066
Fixed asset investments	12		<u>-</u>		<u>19,092</u>
			<u>1,148,062</u>		<u>1,178,158</u>
Current assets					
Debtors	13	5,561		4,409	
Cash at bank		<u>122,488</u>		<u>183,061</u>	
		<u>128,049</u>		<u>187,470</u>	
Creditors – amounts falling due within one year	14	<u>(71,443)</u>		<u>(68,835)</u>	
Net current assets			<u>56,606</u>		<u>118,635</u>
Total assets less current liabilities			1,204,668		1,296,793
Creditors – amounts falling due after one year	15		<u>(570,468)</u>		<u>(655,242)</u>
Total net assets			<u>634,200</u>		<u>641,551</u>
Capital and reserves					
Share capital	17		11		11
Designated reserves	16	172,869		172,869	
General reserve	16	<u>461,320</u>		<u>468,671</u>	
			<u>634,189</u>		<u>641,540</u>
TOTAL CAPITAL AND RESERVES			<u>634,200</u>		<u>641,551</u>

The notes on pages 12 to 19 form part of these financial statements.

These accounts were approved and authorised for issue by the Board on 29/07/21


.....
Chairman


.....
Vice Chairman


.....
Secretary

St. Luke's Housing Society Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1 Accounting policies

a Introduction and Accounting Basis:

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

b Fixed Assets, Housing Land and Buildings:

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less depreciation.

Completed housing properties are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided on the total cost of buildings at 50 years straight line.

Capitalisation Policy:

Expenditure on housing properties which results in a substantial enhancement of economic benefits of the asset, such as a significant increase in the net rental stream over the life of the property, is capitalised.

Any works which do not result in a substantial enhancement of economic benefits of a property are charged to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its existing level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

c Government Grants

Government grants include grants receivable from the Homes and Communities Agency (the Homes England), local authorities, and other government organisations. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable.

A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. For Social Housing Grant this means that the grant is recognised as revenue on completion of the property.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England.

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

1 Accounting policies (continued)

d Other Fixed Assets:

Tangible fixed assets other than housing are capitalised at cost. Depreciation is charged to reflect the loss in value over the useful lives of the assets concerned. The following rates are used to estimate these lives:

Buildings	50 years straight line
Fixtures and fittings	5-15 years straight line
Computer equipment	3 years straight line

e Turnover:

Turnover comprises rental income receivable in the year and other services included at the invoiced value of goods and services supplied in the year and revenue grants receivable in the year.

f Designated Reserves:

Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)**

2 PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2021	2020
	£	£
Turnover from social housing lettings		
Rent receivable net of identifiable service charges	122,975	122,311
Service charges income	94,231	82,692
Government grants taken to income	<u>22,026</u>	<u>22,026</u>
Turnover from social housing lettings	<u>239,232</u>	<u>227,029</u>
Expenditure on social housing lettings		
Services	44,706	40,310
Management	107,758	104,821
Routine maintenance	9,223	7,532
Planned and major repairs expenditure	29,001	19,931
Depreciation of housing properties and capital works	37,592	25,799
Depreciation of fixtures, fittings and equipment	<u>10,929</u>	<u>10,857</u>
Operating costs on social housing lettings	<u>239,209</u>	<u>209,250</u>
Operating Surplus on social housing lettings	<u>23</u>	<u>17,779</u>

St. Luke's Housing Society Limited

Notes to the Financial Statements For the Year Ended 31 March 2021 (continued)

3 OTHER INCOME

	2021	2020
	£	£
Miscellaneous income	4,605	6,235
Solar panel rebates	<u>2,824</u>	<u>3,484</u>
	<u>7,429</u>	<u>9,719</u>

4 ACCOMMODATION UNDER MANAGEMENT

	2021	2020
The number of units under management at the end of the year- Housing for older people	<u>38</u>	<u>38</u>

5 INTEREST RECEIVABLE

Interest receivable represents income from investments of surplus cash balances in interest bearing accounts.

6 FINANCING COSTS

	2021	2020
	£	£
Interest on mortgage and loan (note 15)	16,650	13,320
Bank charges	<u>60</u>	<u>92</u>
	<u>16,710</u>	<u>13,412</u>

7 REMUNERATION OF THE BOARD OF MANAGEMENT

Members of the Board of Management act in a voluntary capacity and receive no remuneration. We have a policy allowing Board members to claim expenses for travelling/necessary care costs. In the year three trustees claimed total expenses of £150.00 (2020: £53).

8 EMPLOYEES

The average number of employees of the Association including part-time employees was 4 (2020: 4). Their remuneration is analysed as:

	2021	2020
	£	£
Wages and salaries	87,661	84,604
Social Security	7,036	8,618
Employers Pension Contributions	<u>3,159</u>	<u>4,780</u>
	<u>97,856</u>	<u>98,002</u>

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)**

9 Surplus on ordinary activities is after charging:

	2021 £	2020 £
Depreciation – land and buildings	37,592	25,799
Depreciation – other fixed assets	10,929	10,857
Auditors' remuneration	<u>3,880</u>	<u>3,700</u>

10 Taxation

The company pays no corporation tax on its surpluses because it is exempt.

11 Tangible fixed assets

	Social housing Land and Buildings – held for letting £	Fixtures Fittings & Equipment £	Total £
Cost:			
At beginning of year	1,842,484	287,472	2,129,956
Additions during the year	<u>37,158</u>	<u>359</u>	<u>37,517</u>
At end of year	<u>1,879,642</u>	<u>287,831</u>	<u>2,167,473</u>
Depreciation:			
At beginning of year	726,831	244,059	970,890
Charge for the year	<u>37,592</u>	<u>10,929</u>	<u>48,521</u>
At end of year	<u>764,423</u>	<u>254,988</u>	<u>1,019,411</u>
Net Book Value:			
At beginning of year	<u>1,115,219</u>	<u>32,843</u>	<u>1,148,062</u>
At end of year	<u>1,115,653</u>	<u>43,413</u>	<u>1,159,066</u>

Social housing grant

	2021 £	2020 £
Recognised as income	660,773	638,747
Held as deferred income	<u>440,513</u>	<u>462,539</u>
Total accumulated social housing grant received	<u>1,101,286</u>	<u>1,101,286</u>

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)**

12	Fixed assets investments	2021	2020
		£	£
	Market value at 1 April	19,092	313,230
	Net additions/(sales)	(19,938)	(306,292)
	Net unrealised investment gains	-	269
	Net realised investment gains	<u>846</u>	<u>11,885</u>
	Market value at 31 March	<u>-</u>	<u>19,092</u>
	Historical cost as at 31 March	<u>-</u>	<u>18,669</u>
13	Debtors	2021	2020
		£	£
	Rent arrears and service charges receivable	1,529	1,948
	Prepayments and accrued income	<u>4,032</u>	<u>2,461</u>
		<u>5,561</u>	<u>4,409</u>
14	Creditors – amounts falling due within one year	2021	2020
		£	£
	Trade creditors	18,709	-
	Loans (note 15)	10,595	14,350
	VAT payable	-	3
	Accruals and retention	20,113	32,014
	Rent and service charges received in advance	-	442
	Social housing grant received in advance	<u>22,026</u>	<u>22,026</u>
		<u>71,443</u>	<u>68,835</u>

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)**

15	Creditors – amounts falling due after more than one year	2021 £	2020 £
	Mortgage from Housing Corporation: Repayable by equal annual installments until 2044, bearing interest at 10.25%	127,784	129,079
	Less: repayable within one year (note 14)	<u>(1,473)</u>	<u>(1,330)</u>
		126,311	127,749
	Bank loan: Repayable in monthly installments until August 2024. Bearing interest at 6.5%	34,792	100,000
	Less: repayable within one year (note 14)	<u>(9,122)</u>	<u>(13,020)</u>
		25,670	86,980
	Social housing grant received in advance	<u>418,487</u>	<u>440,513</u>
		<u>570,468</u>	<u>655,242</u>

16	Reserves	Designated Reserves £	General Reserve £	Total £
	Brought forward	<u>172,869</u>	<u>468,671</u>	<u>641,540</u>
	Surplus/(deficit) for year before transfers to/from designated reserves	-	(7,351)	(7,351)
	Refurbishment fund:			
	Transfers to designated reserves	-	-	-
	Transfers from designated reserves	<u>-</u>	<u>-</u>	<u>-</u>
		<u>172,869</u>	<u>461,320</u>	<u>634,189</u>

The designated reserves represent:

- i) A refurbishment fund that was designated for the future refurbishment and maintenance costs of flats. The transfers represent the current year's contribution towards the estimated future costs, which was made at the discretion of the board, and refurbishment costs incurred in the year.

St. Luke's Housing Society Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)**

17 Share capital

	2021	2020
	£	£
Share capital	<u>11</u>	11

18 Legislation under which the Society is incorporated

The Society is registered under the Co-operative and Community Benefit Societies Act 2014 and registered as a housing association with the Homes England.

19 Commitments

The Society had capital commitments of £nil as at 31 March 2021 (2020: None).

20 Related party transactions

There were no related party transactions in the year to 31 March 2021 (2020: None).