



INNISFREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended

31 MARCH 2020

INNISFREE HOUSING ASSOCIATION LIMITED

BOARD

Kevin Hartnett Chair
Richard Tomlins
Mairead Carroll
John Hogan
Liz Cain
Ciara Chivers
Anne McLoughlin (Resigned 10/09/2019)
Nick Yandle (Joined 10/09/2019)
Brian Brady (Joined 10/09/2019)

CHIEF EXECUTIVE

John Delahunty

SECRETARY

Edward O' Riordan

BANKERS

Barclays Bank
28 Hampstead High Street
Hampstead
London NW3 1QB

AUDITORS

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

REGISTERED OFFICE

190 Iverson Road
London NW6 2HL

STATUTORY REGISTRATIONS

Community Benefit Society
No. 24847

Registered Housing Association
No. LH3829

INNISFREE HOUSING ASSOCIATION LIMITED

CONTENTS	Pages
Board Report	4 –9
Statement of the Board's Responsibilities	10
Auditors' Report on Financial Statements	11-13
Statement of Comprehensive Income	14
Statement of Changes in Reserves	14
Statement of Financial Position	15
Statement of Cashflows	16
Notes to the Financial Statements	17 – 35

INNISFREE HOUSING ASSOCIATION LIMITED

BOARD REPORT

The Board presents its report together with the audited financial statements for the year ended 31 March 2020 for Innisfree Housing Association.

Principal Activities

Innisfree Housing Association provides and manages high quality affordable housing in London. We meet the needs of people from a range of backgrounds with nearly 60% of our tenants from an Irish background.

Review of the business year

This has been another year with significant events in our external environment.

Towards the end of the year, the Covid-19 pandemic led to unprecedented responses around the world. Innisfree were able to quickly adjust to remote working, maintaining essential services to residents during the UK lockdown. Recovery from the effects of the pandemic will dominate the agenda in the coming year.

Earlier in the year, there had been further political change, with Boris Johnson becoming leader of the Conservative Party and Prime Minister in July and then winning a significant majority in a General Election in December. A new Secretary of State, Robert Jenrick, was appointed in July and Esther McVey was Housing Minister until being succeeded by Christopher Pincher after the post-election Cabinet reshuffle. Perhaps as significant was the appointment of Rishi Sunak as Chancellor in the reshuffle.

The early political emphasis was on the arrangements for leaving the EU at the end of January 2020, but this has since been overshadowed by the Covid-19 impact, so the context for the housing association sector remains unclear.

During 2019, the issue of fire safety remained very high on the agenda, with the Government consulting on a proposed Review of Building Regulations and Fire Safety. The Grenfell Tower Phase 1 Inquiry Report was also published and Innisfree, in common with other landlords, have had a particular focus on tenants' health and safety, with a number of Board discussions. Although Innisfree does not have any higher risk tall buildings, we have reviewed our health and safety compliance arrangements and have been able to provide the Board with assurance.

Within our organisation, we had significant changes in our Board, with the appointment of a new Chair, Kevin Hartnett and two new Board Members. Our previous Chair, Anne McLoughlin, left the Board at the end of her 9-year term. Our annual Board Strategic Review session in November provided an opportunity for the new Board to review our positioning and confirmed our aspirations to build new homes as well as investing in the quality of our current homes, with a clear focus on sustainability.

The review also signalled priority for our engagement work with current tenants as well as our advocacy work around race equality.

During the year we had had our first loan drawdown from our Triodos Bank facility which was used to fund new development opportunities available to us. In December 2019, we signed an agreement for the acquisition of 25 new homes in Brent from Clarion Housing and in February 2020 completed the purchase of two properties in Camden under a s106 arrangement.

INNISFREE HOUSING ASSOCIATION LIMITED

Some other highlights of the year have included:

- renewed funding from the Embassy of Ireland through the Emigrant Support Programme;
- delivering improvement works to 63 homes, with tenants expressing high satisfaction with the results;
- successfully collaborating with the London Irish Centre Outreach Team, to deliver well-being services to our tenants;
- partnering with the London Irish Centre Charity to host their Outreach Advice Team in our offices, increasing access for our tenants to that service;
- hosting and providing support to the London Irish LGBT Network, the Votes for Irish Citizens Abroad (VICA) campaign and West Hampstead Welcomes Refugees;
- Working collaboratively with other smaller London landlords in the g320, with our Innisfree Development journey used in a case study for the g320 Impact Report launched at City Hall;
- Continuing to work on Race Equality, both with local Innisfree projects and collaboratively on advocacy, with BME National, BME London and the NHF, including presenting to a national conference on Ending Migrant Homelessness.

Governance

Innisfree complies with the excellence in governance code of the National Housing Federation (NHF) published in February 2015.

Associations are expected to report annually on:-

- the obligations of board members
- the required skills, qualities and experience of board members &
- the details of our policy for admitting new shareholders.

These are set out in summary below.

Board members act in the best interests of the Association and adopt the highest standards of probity, integrity and good behaviour when representing Innisfree. They have a high record of attendance at formal meetings and regularly attend meetings and other functions as required. They read and scrutinise reports and contribute to the effective control of the Association. All members subscribe to the shared values of Innisfree.

Board members evidence a proper understanding of the issues facing the communities we serve and, using their wide knowledge and experience, collectively steer the Association so that it fulfils its mission.

Shareholding membership is open to residents, partners and those living and working in the communities we serve who have an interest in and commitment to the Association's work and to the needs of the communities we serve.

Board

The Board of Management consists of 8 members. Board members are non-executive and, for legal purposes, are regarded as directors. The Board is responsible for strategy and the policy framework and delegates day-to-day management to the Senior Management Team.

During the year a new Chair was appointed to the Board after an open recruitment process and two new Board members joined at the AGM in September.

INNISFREE HOUSING ASSOCIATION LIMITED

Business Plan

The Board reviews the Business Plan regularly and during the year confirmed that the current plan supported the focus on providing more homes.

The plan uses the themes: Providing more Homes; Delivering for our Communities; Making Best use of our Resources; Speaking up for the Communities we Serve. These continued to give balanced progress on delivering our mission.

We have clearly expressed the distinctive offer we make to our communities and this includes acting as an advocate and a place shaper. The Business Plan clearly defines approaches and projects to demonstrate this.

Senior Management Team

This comprises Chief Executive, Finance Director and Operations Director. The members of the Senior Management Team act as the executive officers within the authority delegated to them by the Board of Management.

Value for money

The Board have set a clear long-term vision for Innisfree and our mission statement signals the way we see this being realised. Our Business Plan, and the annual plans that contribute to this 3-year strategy, are approved by the board each year and are regularly monitored to see progress against targets and gain assurance that the strategy is delivered. The board also steer future development of plans.

Our current plan has four main strands

- Providing more homes
- Delivering for our communities
- Making best use of our resources
- Speaking up for the communities we serve.

Making the best use of the resources available to us to achieve our strategic objectives is recognised as a key responsibility by the Board. The priority on providing new homes and using other routes to grow the organisation is balanced with the need to provide high quality services to existing and future residents, all of which is underpinned by strong budget control. The significant resources deployed into asset management are carefully considered as are the use of our human resources.

We use the objectives and expected outcomes in the business plan to drive what is required by each area of the business. This process ensures that the use of assets and resources required to meet service, quality and other non-financial objectives are recognised in our budgets and operational delivery. Our business planning process therefore helps ensure that resources and assets are used in the most appropriate way to deliver value for money. The Board consider the social value of the work we do to be important and this is particularly reflected in the Delivering for our Communities business plan strand. However, it is also evident in our Development Strategy, setting the pattern for the growth objectives we have, including a particular emphasis of the provision of new homes at social rent levels.

To measure our progress, we look at our internal performance against set budgeted measures such as operating margin and benchmark ourselves externally against other

INNISFREE HOUSING ASSOCIATION LIMITED

housing associations. A key tool for this is the Value for Money metrics provided by the Regulator of Social Housing as part of the annual Global Accounts publication. The regulator has defined a suite of seven standard metrics that allows individual providers to compare themselves to other organisations.

Metrics	2018/19 Innisfree	2019/20 Innisfree	2019 Value for Money Metrics
Reinvestment %	1.3%	4.3%	6.4%
New Supply Delivered %	0%	0.4%	1.7%
Gearing %	15.7%	18.2%	46.7%
EBITDA Interest Cover %	255%	231%	153%
Social Housing Cost Per Unit	£4,557	£4,636	£4,120
Operating Margin %	34.1%	32.2%	25.0%
Return on Capital Employed %	2.3%	2.1%	3.6%

The key performance measure for Innisfree is the operating margin %. A higher operating margin suggests an organisation is generating more from its resources, which fits in with our value for money aims. Innisfree's performance of 32.2% which is above the sector average, highlights the emphasis we place on value for money and this result is despite another year with a -1% rent decrease. London based associations have comparatively low margins due to the higher operating costs of working in the capital. The median result for London based providers was 22.7%.

The social housing cost per unit appears high compared to the sector average of £4,120. For this measure there is an identifiable "London effect". London associations due to a number of factors such as higher labour and accommodation costs have a higher social housing cost per unit. London associations median cost per unit was £6,007 in the 2019 sector metrics. We perform at a lower cost than this. Across the sector the headline cost per unit has increased by 5.1% from 2018. Our increase was close to 1%.

One of our core business plan targets is to provide more homes and our results are reflecting the movement to development.

The new supply measure has moved from zero during this financial year to 0.4% as we increased our stock by 2 units. The Association are currently working on a number of development opportunities which are at various stages of progression and will result in this measure improving.

Our gearing level is low compared to the average, but it has increased since last year. To start our development programme, we have increased our borrowing to ensure we have the resources to develop and as a result our gearing levels have increased. If the right development opportunities arise this measure will increase as we will borrow more to fund additional development.

Return on capital employed (ROCE) is a measure used to assess the efficient investment of capital resources. We have seen a decline this year in this measure and this is a reflection of our development programme. The two new units purchased this year came at the end of the financial year so there was no rental income benefit. We also spent a considerable amount in bringing our next 25 development units forward but will not see any rental income from these until later into 2020 when the units are completed. In spite of this Innisfree appear to underperform on this measure. On this measure there is a "London effect" and for London focused associations the performance was 2.8%. This is believed to be due to asset values being considerably higher than the sub-market rents housing associations offer.

INNISFREE HOUSING ASSOCIATION LIMITED

The Association has increased its re-investment level in 2019/20. The increase is pushed forward by the progression of the development programme while maintaining our reinvestment level in existing stock. We see this as crucial to achieving value for money. Maintaining stock investment is essential for long term stewardship of our assets and ensuring Innisfree provide quality homes appropriate to our residents' needs.

The EBITDA interest cover level is an indication of the level of headroom on meeting interest payments on outstanding debt. Innisfree are in a comfortable position on this measure even with additional borrowing.

Internal Controls

The Board of Innisfree has overall responsibility for establishing and maintaining the system of internal controls and for reviewing its effectiveness.

The system of internal controls is designed to manage, rather than eliminate, risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with good practice principles outlined in regulatory and other guidance.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal controls, together with some of the key elements of the control framework includes:

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. The senior management team regularly considers these significant risks, creating a risk map which is reviewed and approved by the Board. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

At this point in time it is not possible to fully consider the impacts arising from Covid-19, however the Board have considered the possible risks and have put in place measures to maintain income and reduce future expenditure if required. The position will be kept under constant review and the board will as required take necessary steps to ensure the Association continues as a going concern.

The Board have continued to consider the potential implications of Brexit, both in the short and medium term, by identifying risks which highlight the potential economic and operational effects for Innisfree. The controls and mitigations in place will continue to be reviewed regularly.

Monitoring arrangements

A process of control, self-assessment and regular management reporting on control issues provides assurance to management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues. This covers all operational areas and is not limited to those with a material impact on the financial statements. This is supplemented by regular Internal Audit reviews.

INNISFREE HOUSING ASSOCIATION LIMITED

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy, new investment projects, the setting of standards for health and safety, data protection and fraud prevention and detection.

Financial reporting procedures include detailed budgets for the year ahead, cash flow projections and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Information and financial reporting systems

Key policies

The Board retains responsibility for reviewing and approving the key strategies and policies that are designed to provide effective internal control. Innisfree has a full set of policies and procedures which contribute to our approach to safeguarding the Association against all forms of risk, including fraud and corruption.

The internal control framework and the risk management process are subject to regular review by Innisfree's internal auditors who are responsible for providing independent assurance to the Board.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of this report, and is reviewed regularly by the Board.

Governance and Viability Standard

The arrangements for governance, business planning, risk and internal controls described above satisfy the Governance and Viability Standard of the Homes and Communities Agency.

Annual General Meeting

The Association's annual general meeting will be held on the 8th September 2020.

Auditors

Mazars have expressed a willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.



Kevin Hartnett
Chair

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2014 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 in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INNISFREE HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Innisfree Housing Association Limited ("the Association") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

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

Conclusions relating to going concern

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

- 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 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.

INNISFREE HOUSING ASSOCIATION LIMITED

Other information

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 10, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or 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.

INNISFREE HOUSING ASSOCIATION LIMITED

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 the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza
Sutton Court Road
Surrey
SM1 4FS
Date: 18 September 2020

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	4,054,151	4,032,087
Operating costs	3	(2,749,142)	(2,657,059)
Operating surplus	9	1,305,009	1,375,028
Interest receivable and similar income	7	10,485	7,066
Interest payable and similar charges	8	(505,142)	(473,184)
Surplus for the year		<u>810,352</u>	<u>908,910</u>
Initial Recognition of SHPS Scheme		-	(275,000)
Pension scheme actuarial gain/(loss)		465,152	(196,000)
Total comprehensive income for the year		<u>1,275,504</u>	<u>437,910</u>

The results relate wholly to continuing activities. All amounts are included at historic cost. The notes on pages 17 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES for the year ended 31 MARCH 2020

	Notes	Share capital £	Revenue reserve £	Total
Balance at 1 st April 2018		20	10,636,849	10,636,869
Net repayment of shares	17	-	-	-
Surplus for the year		-	437,910	437,910
Balance at 31 March 2019		<u>20</u>	<u>11,074,759</u>	<u>11,074,779</u>
Balance at 1 st April 2019		20	11,074,759	11,074,779
Net issue/repayment of shares	17	1		1
Surplus for the year			1,275,504	1,275,504
Balance at 31 March 2020		<u>21</u>	<u>12,350,263</u>	<u>12,350,284</u>

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets:			
Housing properties : cost less depreciation	10	60,193,108	57,792,778
Other tangible fixed assets	11	202,498	213,195
		<hr/>	<hr/>
		60,395,606	58,005,973
Current assets			
Debtors	12	183,654	225,379
Cash and cash equivalents		3,204,911	2,458,509
		<hr/>	<hr/>
		3,388,565	2,683,888
Creditors: Amounts falling due within one year	13	(1,450,010)	(1,378,110)
		<hr/>	<hr/>
Net current assets		1,938,555	1,305,778
		<hr/>	<hr/>
Total assets less current liabilities		62,334,161	59,311,751
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	14	13,778,053	11,177,630
Deferred grant income	15	35,826,824	36,153,342
Pension - deficit funding liability	16	-	-
Pension - defined benefit liability		379,000	906,000
		<hr/>	<hr/>
		49,983,877	48,236,972
		<hr/>	<hr/>
Net assets		12,350,284	11,074,779
		<hr/>	<hr/>
Capital and reserves			
Share capital	17	21	20
Revenue reserve		12,350,263	11,074,759
		<hr/>	<hr/>
		12,350,284	11,074,779
		<hr/>	<hr/>

The financial statements were approved by the Board and authorised for issue on 14th July 2020 and signed on their behalf by:

Kevin Hartnett



Board member

Liz Cain



Board member

Edward O'Riordan



Secretary

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2020

	Notes	2020 £	2019 £
Net cash generated from operating activities	18	1,709,865	1,712,401
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Cash flow from investing activities			
Purchase of housing properties		(3,077,214)	(774,593)
Purchase of other fixed assets		(49,863)	(41,952)
Interest received		10,485	7,066
		<hr/>	<hr/>
		(3,116,592)	(809,479)
<hr/>			
Cash Flow from Financing activities			
Interest paid		(483,630)	(452,792)
Repayments of borrowings		(363,242)	(330,198)
New borrowing		3,000,000	-
Share Capital Received/(Repaid)		1	-
		<hr/>	<hr/>
		2,153,129	(782,990)
<hr/>			
Net change in cash and cash equivalents		746,402	119,932
<hr/>			
Cash and cash equivalents at 1 April		2,458,509	2,338,577
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Cash and cash equivalents at 31 March		3,204,911	2,458,509
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the accounts of the Association.

The Association is registered with the Homes and Communities Agency. It is incorporated under the Cooperative and Community Benefit Societies Act 2014 in England. The Association is a public benefit entity.

Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Innisfree Housing Association includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, “Accounting by registered social housing providers” 2014, the Accounting Direction for Private Registered Providers of Social Housing 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the association’s accounting policies.

Going Concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. These financial statements are prepared on a going concern basis. In the context of the impact of Covid-19, the Board have reviewed detailed cash flow projections to 31 July 2021 and have agreed detailed budgets for the year ended 31 March 2021. Both sources of income and types of expenditure have been reviewed. The Board have also considered the Association’s working capital and capital expenditure requirements. As a result of the foregoing the Board are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as completed housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated useful economic lives of the component categories. Useful economic lives for identified components are as follows:

INNISFREE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020 (Continued)

1 Accounting policies (Continued)

Structure	125 years
Bathroom	30 years
Boilers	12 years
Electricals	30 years
Kitchens	20 years
Windows & Doors	30 years
Lifts	25 years
Roofs-Pitched / Flat	60 years/ 20 years
Mechanical Systems	30 years

The Association depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Other fixed assets are included at cost to the Association less depreciation, which is provided on a straight-line basis on the net cost over the periods shown below:

Leasehold improvements	over the life of the lease
Computer equipment	25% straight line
Office furniture and equipment	25% straight line
Supported housing furniture and equipment	25% straight line

Social housing grant

Social housing grant (SHG) to fund capital expenditure is recognised over the useful life of the housing property structure and, where applicable, its individual components under the accrual model.

Where SHG is received on items treated as revenue expenditure, eg: elements of major repair expenditure, it is treated as a revenue grant and credited to the income and expenditure account.

If housing properties are disposed of, Social Housing Grants are repayable to the Homes Communities Agency or held as a creditor pending recycling into another scheme; if grant held in the recycled capital grant fund is not used within three years, it becomes repayable.

Rental and other trade receivables

The estimate for receivables relates to the recoverability of the balances outstanding at year-end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Finance costs

Finance costs on a mortgage loan financing a development are capitalised up to the date of practical completion of the scheme. Finance costs are allocated to periods over the term of the debt at a constant rate on the carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

1 Accounting policies (Continued)

Cyclical maintenance and internal decorations

The costs of repairs, cyclical maintenance and internal decorations are recognised when work is performed.

Restricted funds

Where funds are received or generated which are held for use limited by restrictions determined by third parties, these are shown as restricted reserves.

Turnover

Turnover comprises rental income, grants and income from service charges. All income is recognised on a receivable basis.

Operating leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

Managed projects

The income collectable and expenditure incurred by Innisfree relating to projects managed by Innisfree but owned by other associations is accounted for by Innisfree.

Major repairs

The Association capitalises expenditure on housing properties which enhances the economic benefits of the property beyond those assessed when the property was first acquired or constructed. All other major repair expenditure is charged to the income and expenditure account.

Taxation

The Association has charitable status and is therefore not subject to Corporation Tax on surpluses derived from charitable activities.

Pension costs

The Association participates in the Social Housing Pension Scheme (SHPS). The Association offers new and existing employees access to the defined contribution scheme provided by SHPS. Obligations for contributions to defined contribution benefit plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

1 Accounting policies (Continued)

The Association previously offered access to a defined benefit scheme operated by SHPS. Access to this scheme is closed. In accordance with FRS102 there is a recognition of the Association's liability for its obligations under the scheme, net of assets and the net change in that liability during the accounting period as the cost of the defined benefit scheme during the period.

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The association have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost.
- what constitutes a cash-generating unit when indicators of impairment require there to be an impairment review.
- whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)

3 Turnover and surplus analysis

All turnover and operating costs arose from social housing activities as shown.

	Year ended 31 March 2020		
	Turnover	Operating Costs	Operating Surplus
	£	£	£
Social housing activities: Lettings	4,054,151	(2,749,142)	1,305,009
	<hr/>	<hr/>	<hr/>
Total	4,054,151	(2,749,142)	1,305,009
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Year ended 31 March 2019		
	Turnover	Operating Costs	Operating Surplus
	£	£	£
Social housing activities: Lettings	4,032,087	(2,657,059)	1,375,028
	<hr/>	<hr/>	<hr/>
Total	4,032,087	(2,657,059)	1,375,028
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

4 Income and expenditure from lettings

	General needs housing £	Supported housing £	2020 Total £	2019 Total £
Income from lettings				
Rent net of service charges	3,095,254	317,396	3,412,650	3,401,971
Service charges receivable	201,499	106,316	307,815	298,068
Social housing grant amortised	277,375	49,143	326,518	326,518
	<hr/>	<hr/>	<hr/>	<hr/>
Net rental Income	3,574,128	472,855	4,046,983	4,026,557
Other income	1,970	5,198	7,168	5,530
	<hr/>	<hr/>	<hr/>	<hr/>
Total turnover from social housing lettings	3,576,098	478,053	4,054,151	4,032,087
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on letting activities				
Management	678,585	300,957	979,542	931,056
Service Charge Costs	228,463	70,775	299,238	277,058
Routine maintenance	463,122	12,811	475,933	503,946
Planned maintenance	264,393	48,776	313,169	269,877
Rent losses from bad debts	3,664	712	4,376	(2,663)
Depreciation of housing properties	632,647	44,237	676,884	677,785
Other				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure on social housing lettings	2,270,874	478,268	2,749,142	2,657,059
	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus/(deficit) on social housing lettings before interest	1,305,224	(215)	1,305,009	1,375,028
	<hr/>	<hr/>	<hr/>	<hr/>
Rent losses from voids	(9,340)	(4,289)	(13,628)	(28,220)
	<hr/>	<hr/>	<hr/>	<hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the YEAR ENDED 31 MARCH 2020
(Continued)**

5 Emoluments of the Chief Executive and senior management team

	2020	2019
	£	£
The emoluments of the Chief Executive and senior management team were:		
Gross salary	226,747	205,622
Social security costs	27,719	25,082
Employer's pension contributions	11,337	10,050
	<hr/>	<hr/>
	265,803	240,754
	<hr/>	<hr/>
	£	£
Highest paid director		
Aggregate emoluments	85,843	83,739
Company pension contributions	4,292	4,187
	<hr/>	<hr/>
	90,135	87,926
	<hr/>	<hr/>

	2020	2019
	No.	No.
The remuneration paid to staff earning £60,000 upwards:		
£60,000 - £70,000		1
£70,000 - £80,000	2	
£80,000 - £90,000		1
£90,000 - £100,00	1	
None of the members of the board received emoluments (2019:£ Nil)	£	£
The total expenses reimbursed to the Board not chargeable to United Kingdom income tax was:	850	1,661
	<hr/>	<hr/>

The chief executive is a member of the association pension scheme, on standard terms.

6 Employee information

The average monthly number of persons (excluding Board members) employed during the year was:

	2020	2019
	No.	No.
Staff (full time equivalents)	12	13
	<hr/>	<hr/>
Total number of staff	15	15
	<hr/>	<hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

6	Employee information (continued)	2020 £	2019 £
	Staff costs (including the Chief Executive)		
	Wages and salaries	519,333	487,147
	Social security	70,911	50,705
	Pension costs	26,672	24,003
	Temporary Staff	-	-
		616,916	561,855
		616,916	561,855
7	Other interest receivable and similar income	2020 £	2019 £
	Bank interest receivable	10,485	7,066
		10,485	7,066
		10,485	7,066
8	Interest payable and similar charges	2020 £	2019 £
	On housing loans repayable in more than five years	484,142	454,184
	Unwinding of discount factor on pension liability	21,000	19,000
		505,142	473,184
		505,142	473,184
9	Operating Surplus	2020 £	2019 £
	The operating surplus is stated after charging:		
	Depreciation of tangible fixed assets		
	- housing properties	676,884	677,785
	- other fixed assets	60,560	54,442
	Auditors' remuneration (excluding VAT)	15,600	15,850
	- as auditors	15,600	15,850
	Operating lease charges	63,505	63,332
	Amortisation of Social Housing Grant	(326,518)	(326,518)
		(326,518)	(326,518)
		(326,518)	(326,518)

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

10 Housing properties	Freehold housing properties held for letting £	Long leasehold housing properties £	Work in Progress	Total £
Cost				
At 1 April 2019	41,097,502	23,206,641	249,978	64,554,121
Additions Components	441,500	522,440	2,113,274	3,077,214
Disposals Components	(109,730)	(12,610)	-	(122,339)
At 31 March 2020	41,429,272	23,716,471	2,363,252	67,508,995
Depreciation				
As at 1 April 2019	4,417,464	2,343,879	-	6,761,343
Charge for the year	462,579	214,305	-	676,884
Eliminated on replacement of components	(109,730)	(12,610)	-	(122,339)
At 31 March 2020	4,770,313	2,545,574	-	7,315,887
Net book value				
At 31 March 2020	36,658,959	21,170,897	2,363,252	60,193,108
At 31 March 2019	36,680,038	20,862,762	249,978	57,792,778

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

11 Other fixed assets

	Leasehold improvements £	Computer equipment £	Office furniture and equip £	Housing furniture and equip £	Motor vehicles £	Total £
Cost						
At 1 Apr 2019	206,948	119,517	145,101	214,958	22,050	708,574
Additions	-	4,667	4,047	41,149	-	49,863
At 31 Mar 2020	206,948	124,184	149,148	256,107	22,050	758,437
Depreciation						
At 1 April 2019	93,050	115,736	117,515	158,052	11,026	495,379
Charge for year	18,983	4,229	5,899	25,937	5,512	60,560
At 31 Mar 2020	112,033	119,965	123,414	183,989	16,538	555,939
Net book value						
At 31 Mar 2020	94,915	4,219	25,734	72,118	5,512	202,498
At 31 Mar 2019	113,898	3,781	27,586	56,906	11,024	213,195

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

12 Debtors	2020 £	2019 £
Rental & service charge arrears	112,716	151,915
Less provision for doubtful debts	(51,200)	(52,320)
	<hr/>	<hr/>
	61,516	99,595
Other debtors	10,114	11,630
Prepayments and accrued income	112,024	114,154
	<hr/>	<hr/>
	183,654	225,379
	<hr/>	<hr/>
13 Creditors: Amounts falling due within one year	2020 £	2019 £
Loans repayable	401,082	364,745
Other creditors	271,414	231,286
Deferred grant income (Note 15)	326,518	326,518
Rent in advance	183,485	116,798
Trade creditors	183,704	154,740
Accruals	83,805	184,023
	<hr/>	<hr/>
	1,450,010	1,378,110
	<hr/>	<hr/>
14 Creditors: Amounts falling due after more than one year	2020 £	2019 £
Finance by Instalments due one year to two years	466,849	401,080
Finance by instalments due two years to five years	1,927,048	1,459,279
By instalments in five years or more	8,389,589	6,323,791
Otherwise than by instalments	2,994,567	2,993,480
	<hr/>	<hr/>
	13,778,053	11,177,630
	<hr/>	<hr/>
	£	£
Sources of finance		
The Housing Finance Corporation Limited	2,994,567	2,993,480
Orchardbrook Limited	495,477	531,825
Dexia Public Finance Bank	7,689,092	8,017,070
Triodos Bank	3,000,000	-
	<hr/>	<hr/>
	14,179,136	11,542,375
	<hr/>	<hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

14 Creditors: Amounts falling due after more than one year (Continued)

Orchardbrook Limited loans are secured by fixed charges on the Association's housing properties and are repayable in instalments at rates of interest varying from 9.34% to 11.5%. The loan will be fully repaid by 2026.

The loan from the Housing Finance Corporation Limited ("THFC") consists of £3,000,000 debenture stock bearing interest at 9.625% on this nominal value. It is repayable in full in 2025. The loan is stated at the value of the net proceeds of the issue. The finance cost charged in these accounts attributable to the loan includes an appropriate proportion of these costs amortised over the life of the loan.

Dexia Public Finance Bank loans are secured by fixed charges on the Association's housing properties and are repayable in instalments at rates of interest varying from 1.1285% to 1.2285%. The loan will be fully repaid by 2033. The loan is stated at the value of the net proceeds of the loan. The finance cost charged in these accounts attributable to the loan includes an appropriate proportion of these costs amortised over the life of the loan.

The Triodos Bank loan is secured by fixed charges on the Association's housing properties and is repayable in instalments at a rate of interest of 2.45%. The loan will be fully repaid by 2043.

15 Deferred Grant Income	2020	2019
	£	£
As 1 st April 2019	36,479,860	36,806,378
Released to income in the year	(326,518)	(326,518)
	<hr/>	<hr/>
At 31 st March 2020	36,153,342	36,479,860
	<hr/>	<hr/>
	2020	2019
	£	£
Amounts to be released within one year	326,518	326,518
Amounts to be released in more than one year	35,826,824	36,153,342
	<hr/>	<hr/>
	36,153,342	36,479,860
	<hr/>	<hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

16 Pension Liability	2020	2019
	£	£
SHPS obligation at 1 st April	-	500,000
Released in the year	-	(500,000)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
17 Share capital	2020	2019
	Shares (of	Shares (of
	£1 each)	£1 each)
	£	£
At 1 st April 2019	20	20
Repaid during year	-	(1)
Issued	1	1
	<hr/>	<hr/>
At 31st March 2020	21	20
	<hr/>	<hr/>

The shares have limited rights. They carry no entitlement to dividend, they are not repayable and do not participate in a winding up. They carry the following voting rights: to approve the financial statements and to appoint members of the Board and the auditor.

18 Cashflow from operating activities	2020	2019
	£	£
Operating surplus	1,305,009	1,375,028
Depreciation charges	737,445	732,227
Amortised grant	(326,518)	(326,518)
Pension liability movement	(82,848)	(83,926)
Decrease/(Increase) in debtors	41,725	(3,378)
Increase/(decrease) in creditors excluding	35,052	18,968
Interest accruals		
	<hr/>	<hr/>
	1,709,865	1,712,401
	<hr/>	<hr/>

INNISFREE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2020
(Continued)**

19 Capital commitments

	2020	2019
	£	£
Expenditure contracted for but not provided in the accounts	1,651,860	-
	<hr/>	<hr/>
	1,651,860	-
	<hr/>	<hr/>

The above commitment will be covered by cash and social housing grant (£437,000).

20 Operating Leases

	2020	2019
	£	£
Payments due:-		
-within one year	64,000	63,332
-between one and five years	256,175	254,773
-after five years	31,737	95,211
	<hr/>	<hr/>
	351,912	413,315
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020 (Continued)

21 Pension scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2020	31 March 2019
	£(000s)	£(000s)
Fair value of plan assets	2,537	2,496
Present value of defined benefit obligation	2,916	3,402
Surplus (deficit) in plan	(379)	(906)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(379)	(906)

INNISFREE HOUSING ASSOCIATION LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020 (Continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

	Period Ended 31 March 2020 £(000s)
Defined benefit obligation at start of period	3,402
Current service cost	-
Expenses	4
Interest expense	79
Actuarial gains due to scheme experience	-
Actuarial losses due to changes in demographic assumptions	(29)
Actuarial gains due to changes in financial assumptions	(428)
Benefits paid and expenses	(112)
Defined benefit obligation at end of period	2,916

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period Ended 31 March 2020 £(000s)
Fair value of plan assets at start of year	2,496
Interest income	58
Experience on plan assets	8
Contributions by the employer	87
Benefits paid and expenses	(112)
Fair value of plan assets at end of year	2,537

The actual return on the plan assets (including any changes in share of assets) for the period ended 31 March 2020 was £66,000.

INNISFREE HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020 (Continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOI)

	Period from 31 March 2019 to 31 March 2020 (£000s)
Current service cost	-
Expenses	4
Net interest expense	21
Defined benefit costs recognised in statement of comprehensive income (SoCI)	25

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	8
Experience gains and losses arising on the plan liabilities - gain/(loss)	-
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	29
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	428
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	465
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	-
Total amount recognised in other comprehensive income - gain/(loss)	465

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020 (Continued)

KEY ASSUMPTIONS

	31 March 2020	31 March 2019
	% per annum	% per annum
Discount Rate	2.36%	2.34%
Inflation (RPI)	2.58%	3.26%
Inflation (CPI)	1.58%	2.26%
Salary Growth	2.58%	2.26%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

22 Analysis of accommodation

	Units under management	
	2020	2019
Housing accommodation:		
Owned and managed	479	477
Supported housing owned and managed	73	73
	<u>552</u>	<u>550</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020 (Continued)

23 Grants Received in the year

During the year, Innisfree received the following specific grant:

Department of Foreign Affairs and Trade; Emigrant Support Programme (Grant term 1 st July 2019 – 30 th June 2020)	£4,000
--	--------

At the 31st March £2,811 had been spent on emigrant support programme work and is included within other income on note 4.

24. Related party transactions

There are none to disclose for the year ending 31 March 2020 or the year ended 31 March 2019.

25. Post balance sheet events

On 18 March 2020 the UK Government announced the closure of most businesses due to the Covid-19 pandemic, effective from Friday 20 March 2020. The Association has taken significant steps to ensure that its significant sources of income will be secure in 2020 and at the same time has contingency plans to reduce costs. Whilst the operational office base has been closed, services to tenants have been maintained throughout the period, with staff working remotely from home. At this stage no reasonable estimate of the effect of the government announcement can be made, but given the Association's contingency planning, the board believe the situation can be managed with the minimum possible disruption to the activities of the Association once restrictions are lifted.

