



**INNISFREE HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended**

**31 MARCH 2023**

# **INNISFREE HOUSING ASSOCIATION LIMITED**

## **BOARD**

Kevin Hartnett      Chair

Liz Cain (Resigned 13/09/2022)  
Mairéad Carroll (Resigned 13/09/22)  
Ciara Chivers  
Nick Yandle  
Brian Brady  
Deepti Jerath  
Gerry Doherty  
John Fitzsimons  
Jahanara Rajkoomar  
Ali Shah (Joined 1/6/2022)

## **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

**CONTENTS****Pages**

Board Report	4 –10
Statement of the Board’s Responsibilities	11
Auditor’s Report on Financial Statements	12-14
Statement of Comprehensive Income	15
Statement of Changes in Reserves	15
Statement of Financial Position	16
Statement of Cashflows	17
Notes to the Financial Statements	18 – 37

# **INNISFREE HOUSING ASSOCIATION LIMITED**

## **BOARD REPORT**

The Board presents its report together with the audited financial statements for the year ended 31 March 2023 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 over half of our tenants from an Irish background.

### **Review of the business year**

This has been a year with significant external uncertainties – economic, political and regulatory.

Notwithstanding the challenges, the organisation has continued to deliver high quality services, with tenants expressing high levels of satisfaction and good progress has also been achieved at a strategic level in the organisation.

Our work to develop new homes is underpinned by our Development Strategy which was reviewed this year. Progress on the two main development schemes was slightly slower than expected, but we are on track to have an additional 25 new homes, including our first 3 Shared Ownership homes, in the 23/24 period. We also gave significant attention to our Treasury Review this year, including confirming the need for additional borrowing from Triodos.

The Asset Management of our homes has also been a significant priority this year. We received the stock condition survey results for 70% of our homes early in the year and this provided strong assurance of the current condition. The balance of surveys will be completed in 23/24.

Our Landlord Property Compliance remains very strong, with Internal Audit identifying substantial assurance in this area. Having reviewed our approach to damp and mould in 2021, we had a strong platform to respond to the new emphasis on this issue, following the death of 2 year old Awaab Ishak in Rotherham, and we have continued to respond promptly to any reports from our tenants and to monitor cases closely.

Our preparations for achieving progress towards net zero advanced significantly this year, with a consultancy project being undertaken by Calford Seaden and the opportunity to be part of a successful consortium bid for Social Housing Decarbonisation Funding, which will involve us targeting interventions in 18 of our homes.

With the prospect of the new Tenant Satisfaction Measures (TSMs) being introduced by the Regulator of Social Housing from April 2023, we consulted our tenants and introduced the new measures during the year. As expected, with the new survey methodology, our measured satisfaction score dropped slightly at the year-end compared to last year, ending the period at 87%. However, we are aware that this benchmarks very strongly against other landlords results under the new system.

We continued our Tenant Engagement project, developing new ways of bringing the voices of tenants to the Board through audio and video recordings of their comments, using these at our annual Strategy Event in November. New arrangements for gathering views from tenants in their own blocks/schemes were introduced, blending virtual and face-to-face opportunities. One of our tenants was also supported to become a member of the BME London Landlords Tenants Panel.

## **INNISFREE HOUSING ASSOCIATION LIMITED**

We recruited a number of new staff during the year, with roles that have been refocused to reflect our hybrid working arrangements and at our Investors in People review our rating was upgraded from Standard to Silver.

Operational performance was very good again through the year, with repairs and investment works on target. Rent collection arrangements remained strong, in spite of the cost-of-living challenges and no tenants lost their tenancy as a result of rent arrears. Alongside our ongoing efficiency project, we undertook an IT review and have procured a new IT system that will be implemented in 23/24.

We continued to develop our Board capacity during the year. At the start of the year we successfully recruited a new Chair of Audit and Risk Committee and then during the year we planned and commissioned the recruitment for a new Chair of the Board, in advance of our current Chair coming to the end of their term in September 2023.

Our Corporate Plan priority for advocacy work around race equality achieved some further progress this year. We supported the planning and delivery of the BME National conference in October and sponsored the Traveller Movement Annual Conference in November. We were also able to provide a tenancy to a second Afghan Refugee family being supported by one of our Local Authority partners, following the evacuations from Afghanistan in 2021. We are now sharing our offices with the young organisation iamirish ([www.iamirish.org](http://www.iamirish.org)), their first base as they develop their work embracing the mixed-race experience of Irish heritage.

Some other highlights of the year have included:

- delivering improvement works to 53 homes, with tenants expressing high satisfaction with the results;
- working collaboratively with other smaller London landlords to jointly employ a Tenancy Sustainment Officer, providing specialist cost-of-living support to tenants;
- writing a blog for the NHF in Refugee Week;
- speaking at a webinar for Sponsor Refugees about housing solutions;
- supporting the launch of the Irish in Britain 50 years celebration;
- signing up to the NHF Chairs Challenge on Diversity and having one of our Board Members speak at the launch at the NHF Board Excellence Conference;
- contributing to the NHF action plan in response to the Better Social Housing Review;
- adopting a new Equality, Diversity and Inclusion policy.

### **Governance**

Innisfree complies with the National Housing Federation (NHF) Code of Governance 2020.

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.

## **INNISFREE HOUSING ASSOCIATION LIMITED**

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 Board Members, following the adoption of new Rules in September 2021, without affecting the status of Shareholders appointed before the new Rules were adopted.

### **Board**

The Board of Management consists of 9 members though this will rise to 10 in the 2023/24 financial year as part of the succession planning for the Chair of the Board. 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.

Following an external Governance Review, the Board decided that from 1 January 2021, Board Members would be remunerated. The review of this arrangement was undertaken in December 2022 and will continue, with subsequent triennial reviews.

### **Business Plan**

The Board reviews the Corporate Plan and associated action plan regularly and during the year updated the plan, reflecting a continued focus on the same key issues.

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 continue to provide the best route of progress for 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 Corporate 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 Corporate 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.

## INNISFREE HOUSING ASSOCIATION LIMITED

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 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.

<b>Metrics</b>	<b>2022/23 Innisfree</b>	<b>2021/22 Innisfree</b>	<b>2022 Global Accounts Value for Money Metrics</b>	<b>2022 Global Accounts London Region Value for Money Metrics</b>
Reinvestment %	3.7%	2.3%	6.5%	5.3%
New Supply Delivered %	0%	0%	1.4%	1.0%
Gearing %	22.9%	20.4%	44.1%	43.1%
EBITDA Interest Cover %	135%	241%	146%	118%
Social Housing Cost Per Unit	£5,901	£5,100	£4,150	£6,760
Operating Margin %	20.9%	29.2%	20.5%	20.3%
Return on Capital Employed %	1.4%	2.0%	3.2%	2.2%

The key performance measure for Innisfree is the operating margin percentage. A higher operating margin suggests an organisation is generating more from its resources, which fits in with Innisfree's value for money aims. In this financial year Innisfree's performance of 20.9% has fallen from the previous year's result of 29.2%. Even with this fall in margin Innisfree remain above the sector and London region averages. London based associations have comparatively lower margins due to the higher operating costs of working in the capital. The fall in operating margin is not unique to Innisfree and is expected to be replicated across sector in 2022/23. Following the increased attention on the housing sector with regards the condition of existing stock and issues such as damp and mould the Association increased spend on maintenance works which impacted the operating margin.

The social housing cost per unit outturn appears high compared to the 2022 sector average of £4,150 but if we compare it to the London Region figure of £6,760 the outturn is favourable. 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.

One of the core business plan targets is to provide more homes. This year the Association has not managed to deliver any new homes. The Association currently has three live development

## **INNISFREE HOUSING ASSOCIATION LIMITED**

schemes with units coming online in 2023/24 and there will be an improvement in this measure in the year ahead.

Our gearing level is low compared to the average, but highlights the capacity Innisfree have to fund future developments and maintain a development programme. There is additional borrowing arranged to fund continued development for next year which will see this measure increase.

Return on capital employed (ROCE) is a measure used to assess the efficient investment of capital resources. This year the measure has fallen for the Association. Innisfree appear to underperform on this metric against the sector average of 3.2%. On this measure there is a "London effect" and for London focused associations the average performance was 2.2%. The lower measure for London based associations is due to asset values being considerably higher than the sub-market rents housing associations offer in London. Innisfree underperformed this measure due to a large increase in the amount of capital invested in development schemes that are yet to complete and in turn generate rental income. This combined with a lower operating margin also reduced the performance on this measure.

The Association's re-investment percentage increased in 2022/23. The increase is a reflection of increased development capital spend. With three live development schemes and one of these close to completion meant an increase in development capital spend of nearly £2.5million compared to last year. The reinvestment level in existing stock increased by £19,106 to £581,595. Innisfree see this continued investment 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. With rising interest rates and the increase in maintenance spend this measure has fallen this year. Even with the decrease in this measure Innisfree are above the London region outturn and Innisfree are in a comparable position with the sector.

### **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.



## **INNISFREE HOUSING ASSOCIATION LIMITED**

At this point in time it is not possible to fully consider the impacts arising from the Ukraine war, such as rising inflation, increasing fuel and energy costs, rising interest rates however the Board are considering the possible risks and will put in place measures to maintain income and reduce future expenditure if required. The position will be kept under regular review.

### **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.

In addition, this year a separate exercise was undertaken with specialist consultancy support to start to develop a new assurance framework and this work will provide additional clarity for the Board.

### **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 Regulator of Social Housing.

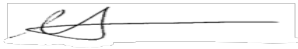
### **Annual General Meeting**

The Association's annual general meeting will be held on the 12<sup>th</sup> September 2023.

## INNISFREE HOUSING ASSOCIATION LIMITED

### 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  
5 September 2023

## **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 2018 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 2019. 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 2018.

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 2023 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its 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 2019.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

## **INNISFREE HOUSING ASSOCIATION LIMITED**

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 11, 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 directors either intend 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Association and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19, and Regulator of Social Housing requirements. To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Association is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

## **INNISFREE HOUSING ASSOCIATION LIMITED**

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, 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 2019.

In addition, we evaluated the Board's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to capitalisation of development expenditure and works to existing properties, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://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  
Sutton  
Surrey  
SM1 4FS  
Date: 29 September 2023

**INNISFREE HOUSING ASSOCIATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Turnover</b>	3	4,551,158	4,430,814
Operating costs	3	(3,599,700)	(3,137,769)
Operating surplus	10	951,458	1,293,045
Interest receivable and similar income	8	5,811	864
Interest payable and similar charges	9	(625,630)	(505,541)
<b>Surplus for the year</b>		<b>331,639</b>	<b>788,368</b>
Pension scheme actuarial (loss)/gain		(104,000)	350,000
<b>Total comprehensive income for the year</b>		<b>227,639</b>	<b>1,138,368</b>

The results relate wholly to continuing activities. All amounts are included at historic cost. The notes on pages 18 to 37 form part of these financial statements.

**STATEMENT OF CHANGES IN RESERVES for the year ended 31 MARCH 2023**

	Notes	Share capital £	Revenue reserve £	Total
Balance at 1 <sup>st</sup> April 2021		18	12,864,651	12,864,669
Net repayment of shares	17	-	-	--
Surplus for the year		-	1,138,368	1,138,368
<b>Balance at 31 March 2022</b>		<b>18</b>	<b>14,003,019</b>	<b>14,003,037</b>
Balance at 1 <sup>st</sup> April 2022		18	14,003,019	14,003,037
Net repayment of shares	17	2	-	2
Surplus for the year		-	227,639	227,639
<b>Balance at 31 March 2023</b>		<b>20</b>	<b>14,230,658</b>	<b>14,230,678</b>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets:			
Housing properties : cost less depreciation	11	67,847,718	65,512,223
Other tangible fixed assets	12	126,423	147,518
		<u>67,974,141</u>	<u>65,659,741</u>
<b>Current assets</b>			
Debtors	13	276,791	237,110
Cash and cash equivalents		1,651,408	1,133,154
		<u>1,928,199</u>	<u>1,370,264</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(2,337,416)</u>	<u>(1,884,045)</u>
<b>Net current liabilities</b>		<u>(409,217)</u>	<u>(513,781)</u>
<b>Total assets less current liabilities</b>		<u>67,564,924</u>	<u>65,145,960</u>
<b>Creditors: Amounts falling due after more than one year</b>			
Deferred grant income	15	16,391,136	13,870,297
Pension - defined benefit liability	16	36,554,110	36,894,626
	21	389,000	378,000
		<u>53,334,246</u>	<u>51,142,923</u>
<b>Net assets</b>		<u>14,230,678</u>	<u>14,003,037</u>
<b>Capital and reserves</b>			
Share capital	17	20	18
Revenue reserve		14,230,658	14,003,019
		<u>14,230,678</u>	<u>14,003,037</u>

The financial statements were approved by the Board and authorised for issue on 5th September 2023 and signed on their behalf by:

Kevin Hartnett



Board member

Ali Shah



Board member

Edward O'Riordan



Secretary



**INNISFREE HOUSING ASSOCIATION LIMITED**

**STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Net cash generated from operating activities</b>	18	1,596,405	840,185
		<hr/>	<hr/>
<b>Cash flow from investing activities</b>			
Purchase of housing properties		(3,095,437)	(2,099,947)
Purchase of other fixed assets		(29,780)	(29,767)
Grant received		-	-
Interest received		5,811	864
		<hr/>	<hr/>
		(3,119,406)	(2,128,850)
<b>Cash Flow from Financing activities</b>			
Interest paid		(612,673)	(487,582)
Repayments of borrowings		(646,074)	(476,092)
New borrowing		3,300,000	1,200,000
Share Capital Received		2	-
		<hr/>	<hr/>
		2,041,255	236,326
<b>Net change in cash and cash equivalents</b>		518,254	(1,052,339)
<b>Cash and cash equivalents at 1 April</b>		1,133,154	2,185,493
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March</b>		1,651,408	1,133,154
		<hr/> <hr/>	<hr/> <hr/>

# **INNISFREE HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023**

### **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 2018, “Accounting by registered social housing providers” 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 cost of living crisis, the Board have reviewed cash flow projections to 31 September 2025 and have agreed detailed budgets for the year ended 31 March 2025. 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 2023 (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.

## **INNISFREE HOUSING ASSOCIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023 (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.

## **INNISFREE HOUSING ASSOCIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023 (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.

**INNISFREE HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)****3 Turnover and surplus analysis**

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

	<b>Year ended 31 March 2023</b>		
	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating Surplus</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Social housing activities: Lettings	4,551,158	(3,599,700)	951,458
	<hr/>	<hr/>	<hr/>
Total	4,551,158	(3,599,700)	951,458
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<b>Year ended 31 March 2022</b>		
	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating Surplus</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Social housing activities: Lettings	4,430,814	(3,137,769)	1,293,045
	<hr/>	<hr/>	<hr/>
Total	4,430,814	(3,137,769)	1,293,045
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

**4 Income and expenditure from lettings**

	<b>General needs housing £</b>	<b>Supported housing £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
<b>Income from lettings</b>				
Rent net of service charges	3,574,206	312,537	3,886,743	3,768,790
Service charges receivable	212,600	90,840	303,440	321,059
Social housing grant amortised	304,723	35,793	340,516	340,516
	<hr/>	<hr/>	<hr/>	<hr/>
Net rental Income	4,091,529	439,170	4,530,699	4,430,365
Other income	19,949	510	20,459	449
	<hr/>	<hr/>	<hr/>	<hr/>
Total turnover from social housing lettings	4,111,478	439,680	4,551,158	4,430,814
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on letting activities				
Management	805,525	355,713	1,161,238	1,053,046
Service Charge Costs	285,833	63,706	349,539	327,890
Routine maintenance	940,994	20,724	961,718	655,797
Planned maintenance	275,091	75,549	350,640	343,710
Rent losses from bad debts	15,314	1,309	16,623	(9,939)
Depreciation of housing properties	698,348	61,594	759,942	767,265
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure on social housing lettings	3,021,105	578,595	3,599,700	3,137,769
	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus/(deficit) on social housing lettings before interest	1,090,373	(138,915)	951,458	1,293,045
	<hr/>	<hr/>	<hr/>	<hr/>
Rent losses from voids	(25,937)	(46,438)	(72,375)	(26,073)
	<hr/>	<hr/>	<hr/>	<hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the YEAR ENDED 31 MARCH 2023  
(Continued)**

**5 Emoluments of the Chief Executive and senior management team**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The emoluments of the Chief Executive and senior management team were:		
Gross salary	250,580	239,039
Social security costs	32,462	29,326
Employer's pension contributions	12,529	11,952
	<hr/>	<hr/>
	295,571	280,317
	<hr/>	<hr/>
	<b>£</b>	<b>£</b>
<b>Highest paid director</b>		
Aggregate emoluments	94,693	90,401
Company pension contributions	4,735	4,520
	<hr/>	<hr/>
	99,428	94,921
	<hr/>	<hr/>

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
The remuneration paid to staff earning £60,000 upwards:		
£60,000 - £70,000		
£70,000 - £80,000		2
£80,000 - £90,000	2	
£90,000 - £100,000	1	1

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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Staff (full time equivalents)	14	13
	<hr/>	<hr/>
Total number of staff	16	16
	<hr/>	<hr/>



**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

<b>6</b>	<b>Employee information (continued)</b>	<b>2023</b>	<b>2022</b>
		£	£
	<b>Staff costs (including the Chief Executive)</b>		
	Wages and salaries	609,851	566,753
	Social security	68,620	59,937
	Pension costs	35,954	32,227
	Temporary Staff	1,395	-
		<hr/>	<hr/>
		714,425	658,917
		<hr/>	<hr/>
<b>7</b>	<b>Board member Renumeration</b>	<b>2023</b>	<b>2022</b>
		£	£
	Kevin Hartnett	5,000	5,000
	Liz Cain	1,128	2,500
	Mairead Carroll	677	1,500
	Ciara Chivers	1,500	1,500
	Nick Yandle	1,500	1,500
	Brian Brady	1,500	1,500
	Deepti Jerath	-	-
	Gerry Doherty	1,500	1,500
	John Fitzsimons	1,500	1,500
	Jahanara Rajkoomar	1,625	-
	Ali Shah	1,783	-
		<hr/>	<hr/>
		17,713	16,500
		<hr/>	<hr/>
		£	£
	The total expenses reimbursed to the Board not chargeable to United Kingdom income tax was:		
		1,373	763
		<hr/>	<hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

<b>8</b>	<b>Other interest receivable and similar income</b>	<b>2023</b> £	<b>2022</b> £
	Bank interest receivable	5,811	864
		5,811	864
<b>9</b>	<b>Interest payable and similar charges</b>	<b>2023</b> £	<b>2022</b> £
	On housing loans repayable in more than five years	616,630	488,541
	Unwinding of discount factor on pension liability	9,000	17,000
		625,630	505,541
<b>10</b>	<b>Operating Surplus</b>	<b>2023</b> £	<b>2022</b> £
	The operating surplus is stated after charging:		
	Depreciation of tangible fixed assets		
	- housing properties	759,942	767,265
	- other fixed assets	50,875	59,300
	Auditors' remuneration (excluding VAT)	19,950	16,550
	- as auditors	19,950	16,550
	Operating lease charges	65,000	65,000
	Amortisation of Social Housing Grant	(340,516)	(340,516)
		(340,516)	(340,516)

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

11 Housing properties	Freehold housing properties held for letting £	Long leasehold housing properties £	Work in Progress	Total £
<b>Cost</b>				
At 1 April 2022	41,969,855	29,446,389	2,635,544	74,051,788
Additions Components	442,854	138,741	2,513,842	3,095,437
Disposals Components	(72,877)	(42,206)	-	(115,083)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	42,339,832	29,542,924	5,149,386	77,032,142
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
As at 1 April 2022	5,544,629	2,994,936	-	8,539,565
Charge for the year	452,903	307,039	-	759,942
Eliminated on replacement of components	(72,877)	(42,206)	-	(115,083)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	5,924,655	3,259,769	-	9,184,424
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2023	36,415,177	26,283,155	5,149,386	67,847,718
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2022	36,425,226	26,451,453	2,635,544	65,512,223
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

**12 Other fixed assets**

	Leasehold improvements £	Computer equipmen t £	Office furniture and equip £	Housing furniture and equip £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 Apr 2022	206,948	142,833	149,148	300,666	22,050	821,645
Additions	-	5,568	1,596	22,616	-	29,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Mar 2023	206,948	148,401	150,744	323,282	22,050	851,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 April 2022	149,999	131,085	129,669	241,324	22,050	674,127
Charge for year	18,983	7,221	2,474	22,197	-	50,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Mar 2023	168,982	138,306	132,143	263,521	22,050	725,002
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>						
At 31 Mar 2023	37,966	10,095	18,601	59,761	-	126,423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Mar 2022	56,949	11,748	19,479	59,342	-	147,518
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

<b>13 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Rental & service charge arrears	125,554	115,566
Less provision for doubtful debts	(62,551)	(53,003)
	<hr/>	<hr/>
	63,003	62,563
Prepayments and accrued income	213,788	174,547
	<hr/>	<hr/>
	276,791	237,110
	<hr/> <hr/>	<hr/> <hr/>
<b>14 Creditors: Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loans repayable	767,761	633,171
Other creditors	196,626	166,127
Deferred grant income (Note 16)	340,516	340,516
Rent in advance	168,962	184,135
Trade creditors	620,026	317,762
Accruals	243,525	242,334
	<hr/>	<hr/>
	2,337,416	1,884,045
	<hr/> <hr/>	<hr/> <hr/>
<b>15 Creditors: Amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Finance by Instalments due one year to two years	828,948	685,018
Finance by instalments due two years to five years	3,299,040	2,539,478
By instalments in five years or more	9,265,321	7,649,060
Otherwise than by instalments	2,997,827	2,996,741
	<hr/>	<hr/>
	16,391,136	13,870,297
	<hr/> <hr/>	<hr/> <hr/>
	<b>£</b>	<b>£</b>
Sources of finance		
The Housing Finance Corporation Limited	2,997,828	2,996,741
Orchardbrook Limited	364,292	411,958
Dexia Public Finance Bank	6,494,651	6,931,329
Triodos Bank	7,302,126	4,163,441
	<hr/>	<hr/>
	17,158,897	14,503,469
	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

**15 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 4.4601% to 4.5601%. 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 loans are secured by fixed charges on the Association's housing properties and are repayable in instalments at a rate of interest between 2.20% and 5.66%. The loan will be fully repaid by 2043.

<b>16 Deferred Grant Income</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
As 1 <sup>st</sup> April 2022	37,235,142	37,575,658
Released to income in the year	(340,516)	(340,516)
	<hr/>	<hr/>
At 31 <sup>st</sup> March 2023	36,894,626	37,235,142
	<hr/>	<hr/>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts to be released within one year	340,516	340,516
Amounts to be released in more than one year	36,554,110	36,894,626
	<hr/>	<hr/>
	36,894,626	37,235,142
	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023**  
(Continued)

<b>17 Share capital</b>	<b>2023</b> <b>Shares (of</b> <b>£1 each)</b> <b>£</b>	<b>2022</b> <b>Shares (of</b> <b>£1 each)</b> <b>£</b>
At 1 <sup>st</sup> April 2022	18	18
Repaid during year	(4)	-
Issued during year	6	
	<hr/>	<hr/>
At 31st March 2023	20	18
	<hr/> <hr/>	<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.

<b>18 Cashflow from operating activities</b>	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Operating surplus	951,458	1,293,045
Depreciation charges	810,817	826,565
Amortised grant	(340,516)	(340,516)
Pension liability movement	(102,000)	(86,000)
(Increase)/Decrease in debtors	(39,681)	25,967
Increase/(Decrease) in creditors excluding interest accruals	316,327	(878,876)
	<hr/>	<hr/>
	1,596,405	840,185
	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)****19 Capital commitments**

	<b>2023</b>	<b>2022</b>
	£	£
Expenditure contracted for but not provided in the Accounts	1,814,185	3,470,218
	<hr/>	<hr/>
	1,814,185	1,470,218
	<hr/> <hr/>	<hr/> <hr/>

**20 Operating Leases**

	<b>2023</b>	<b>2022</b>
	£	£
Payments due:-		
-within one year	65,000	65,000
-between one and five years	97,321	162,321
-after five years	-	-
	<hr/>	<hr/>
	162,321	227,321
	<hr/> <hr/>	<hr/> <hr/>



## INNISFREE HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023 (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 completed triennial valuation of the scheme for funding purposes was carried out at 30 September 2020. The valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the 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 2023 £(000s)	31 March 2022 £(000s)
Fair value of plan assets	1,943	3,164
Present value of defined benefit obligation	2,332	3,542
Deficit in plan	(389)	(378)
Unrecognised surplus	-	-
Defined benefit liability to be recognised	(389)	(378)

**INNISFREE HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED  
BENEFIT OBLIGATION**

	<b>Period Ended 31 March 2023 £(000s)</b>
Defined benefit obligation at start of period	3,542
Current service cost	-
Expenses	4
Interest expense	96
Actuarial gains due to scheme experience	(18)
Actuarial gains due to changes in demographic assumptions	(5)
Actuarial gains due to changes in financial assumptions	(1,107)
Benefits paid and expenses	(180)
Defined benefit obligation at end of period	2,332

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

	<b>Period Ended 31 March 2023 £(000s)</b>
Fair value of plan assets at start of year	3,164
Interest income	87
Experience on plan assets	(1,234)
Contributions by the employer	106
Benefits paid and expenses	(180)
Fair value of plan assets at end of year	1,943

The actual return on the plan assets (including any changes in share of assets) for the period ended 31 March 2023 was (£1,147,000).

**INNISFREE HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)****DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE  
INCOME (SOCl)**

	<b>Period from 1 April 2022 to 31 March 2023 (£000s)</b>
Current service cost	-
Expenses	4
Net interest expense	9
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	13

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	<b>Period ended 31 March 2023 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(1,234)
Experience gains and losses arising on the plan liabilities - gain (loss)	18
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	5
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,107
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(104)
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)	(104)

## INNISFREE HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023 (Continued)

#### KEY ASSUMPTIONS

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	4.85%	2.79%
Inflation (RPI)	3.18%	3.51%
Inflation (CPI)	2.78%	3.16%
Salary Growth	3.78%	4.16%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

#### 22 Analysis of accommodation

	<b>Units under management</b>	
	<b>2023</b>	<b>2022</b>
Housing accommodation:		
Owned and managed	504	504
Supported housing owned and managed	73	73
	<hr/>	<hr/>
	577	577
	<hr/> <hr/>	<hr/> <hr/>

**INNISFREE HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2023  
(Continued)**

**23. Related party transactions**

There are none to disclose for the year ending 31 March 2023 or the year ended 31 March 2022.