



Adullam Homes Housing Association Limited
Annual Report and Financial Statements
for the year ended 31 March 2024

Registered number 20853R

Adullam Homes Housing Association Limited

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Adullam Homes Housing Association Limited

Board Report incorporating the Strategic Report

Company Information

Board of Management, Non-Executive Directors:

Chair

Derrick Dunkley

Vice Chair/Senior Independent Director

Tony Price appointed Sept 23

Chris Green retired Sept 23

Board Members

Andrew Cooke

Jane Newsome

Stephen Philpott

Tony Price to Sept 23

Paul Maher

Hannah Buckley

Anne Dokov

Julie Haywood

Executive Directors:

Alison Sargent (Chief Executive)

Gerard Riley (Director of Housing and Support)

Registered Office:

Walter Moore House

34 Dudley Street

West Bromwich

West Midlands

B70 9LS

The Regulator of Social Housing Registration Number: LH 1388

Co-operative and Community Benefit Societies Act 2014 Registration Number: 20853R

External Auditor: Beever and Struthers

Internal Auditor: RSM Internal Audit

Bankers: Santander
Lloyds Bank
Barclays

Lenders: Triodos Bank NV
Natwest (Orchardbrook)
Charity Bank

Solicitors: Anthony Collins Solicitors LLP
Irwin Mitchell Solicitors

Adullam Homes Housing Association Limited

Board Report incorporating the Strategic Report

Chair's Statement

As the UK economy rallies against political uncertainty, inflationary pressure and a raft of recruitment and retention issues Adullam has had to prioritise investment to ensure a brighter tomorrow for our Tenants Residents and Service Users. We continue to live in a world with challenges all around us. Global warming is fast becoming an unavoidable reality, and the cost-of-living crisis seems at present to be here to stay, public services are under threat in many ways particularly with ongoing funding cuts and changes to contracting arrangements, and further afield the war in Ukraine is showing no signs of ending any time soon. Through all of this, we believe that organisations like Adullam, by providing, well-managed and maintained homes to those who are in most need and by giving our Tenants Residents and Service Users meaningful opportunities to influence the services we provide, is as important as it has ever been, now more than ever.

There are numerous social challenges affecting our Tenants, Residents and Service Users, such as a lack of affordable housing, poverty, suitable employment, and life events which push people into homelessness. For many, additional events like a relationship breaking down, losing a job, mental or physical health problems or substance misuse result in additional and considerable strain, making many of these challenges even harder to resolve. Our dedicated staff teams work tirelessly to support tenants, residents, and service users sometimes in the most difficult of circumstances, our Healthy, Happy and Here wellbeing strategy highlighted our actions this year to support staff in this task. This year also saw us retain our Silver Investors in People accreditation and the establishment of the Employee Voice a group of staff representatives from across the organisation guiding our People Strategy.

A key role for our Board is to oversee our approach to risk management. The world around us presents Adullam with many risks to achieving our objectives. We look to achieve our aims while managing risks realistically and having appropriate measures to protect the organisation. During the year, we enhanced how we do this, and each Board meeting assesses current risks and updates our approach to managing them. I want to congratulate the Board for how they have interpreted the external environment and provided a clear sense of order and direction in very unsettled operating conditions.

I also want to acknowledge the Senior Leadership Team for their sense of awareness, their strategic alignment and how they have reoriented policies to ensure that the Board and the organisation is responding to new risk factors and regulatory requirements. I would like to congratulate them for their leadership and the services that we have provided during the year, we are delighted to report on the continued growth in our service delivery, outstanding outcomes for our tenants' residents and service users alongside financial stability. We saw £876K of additional rental value and our supported accommodation for children was successful in its registration with Ofsted in February 2024. Despite the economic turbulence and the resulting pressure on our income and surplus available to invest, our governance and financial performance remain strong.

In the last year we have focused our attention on encouraging our residents to report any concerns to us regarding damp, mould and condensation and we have systems in place to follow up any issues promptly after adopting a Damp, Mould, and Condensation Policy. The standard and quality of our homes is of huge importance to the Board this year saw us complete a 4-year capital investment programme delivering more than £2.5m of modernisation to tenants' homes. The Regulator of Social Housing has already provided an outline in terms of reshaping consumer regulations. This will include the new Tenant Satisfaction Measures (TSM) and Consumer Standards We have begun to collect data for TSM reporting later in 2024 as required of a smaller housing association and were involved in a pilot this year with the Regulator. Obviously, consumer regulation has implications for ongoing governance compliance with the Regulator which we are well placed to deliver and is a priority for the coming financial year in line with our Strategic Pledges.

I want to end by saying a huge "Thank you!" to the Board, the Senior Leadership Team and our staff and volunteers for their diligence and effectiveness which has contributed to the continued success of the Association this financial year.



Derrick Dunkley, Chair

Adullam Homes Housing Association Limited

Board Report incorporating the Strategic Report

The Board of Management presents its Strategic Report with the financial statements for year ending 31 March 2024

Adullam Homes Housing Association Limited (Adullam) was founded by Walter Moore MBE in 1972. Since then, the organisation has developed and now supports people from vulnerable backgrounds across the Northwest, East and West Midlands, Derbyshire, South Yorkshire, and North Wales regions.

As Adullam has a subsidiary company, (Adullam Social Enterprises CIC) the parent Board of Adullam exercises control and oversight of the governance and operations of their activities too.

Mission

Adullam's mission statement is: "Restoring hope and dignity through quality housing and support." Adullam works with young single homeless people, young people leaving care, those from offending backgrounds, vulnerable mothers and children, people recovering from drug and alcohol addiction, people living with enduring mental health issues and vulnerable families. Adullam aims to help people to access safe, comfortable accommodation and support them to go on to lead independent lives. A key part of "Restoring hope and dignity" is assisting service users to improve their employability and find opportunities to gain work and work experience.

Values and Behaviours

Adullam was formed for the benefit of the community by the late Walter Moore, as an expression of his Christian faith. The Association today continues that work as an expression of Christian faith in action. Our values at Adullam, and the expected behaviors that flow from them, were developed by the Board, service users and staff and we keep them under regular review.

Board Members are guardians of the Association's values. It is essential for the culture and well-being of the Association that the values are lived out in practice, because they impact upon the way that we behave towards one another, Tenants Residents and Service Users (TRS) and other stakeholders (Commissioners, partners, suppliers, Regulators, and friends of Adullam). Our values are:

- ***Valuing the Individual***
- ***Integrity and Fairness***
- ***Striving for Excellence***

A cornerstone of our work across the Association is co-production, involvement, and engagement, we work with each person to rebuild a meaningful, valued and fulfilling life. We cannot succeed in this unless we work closely in partnership with the people we support. We continue to use our resources to pursue these priorities.

Governance Framework

Adullam is an exempt charity registered with the Financial Conduct Authority and registered with the Regulator of Social Housing as a Private Registered Provider. Adullam's governing instrument is a set of rules based upon the National Housing Federation's (NHF) 2015 model rules.

The Board considers the Regulatory standards and matters covered by the code and is a member of the National Housing Federation and endorses the 2020 NHF Code of Governance. Adullam is compliant with the requirements of the Code that are relevant to it as a small, registered provider of social housing. Adullam has rigorous governance arrangements which are audited regularly by our engaged firm of internal auditors and meets the reporting requirements of the Regulator of Social Housing.

Adullam Homes Housing Association Limited

Board Report incorporating the Strategic Report

It is a requirement of Ofsted Quality Standards Regulations (2023) under the Department of Education that providers of Semi-Independent and Supported Housing for Looked After Children and Care Leavers who are 16 and 17 years old are registered. This year we have successfully registered properties under three categories with Ofsted in line with the Regulations - single occupancy, ring-fenced and non-ring-fenced. Our Statement of Purpose which includes the ethos, core aims and function, categories of supported accommodation on offer, services and facilities provided and the characteristics of the children supported has been developed and made available to stakeholders via our website.

Adullam currently have 10 registered properties under Ofsted regulations in 3 local authorities (Salford, Derbyshire and Leicester). In total these services offer a total capacity of 87 bed spaces, a newly appointed Registered Manager oversees all registered children's supported accommodation and provides leadership to operational managers in ensuring compliance with the standards.

The Board regularly reviews key strategic policies, procedures, terms of reference and the organisational structure to ensure that it has effective resources to deliver the business plan. The Board undertakes regular training, succession planning and appraisals to ensure a high level of individual and collective competency. The Board continues to ensure that key corporate business plan objectives are developed through regular strategy days. The Board maintain a keen awareness of risk, performance, and delivery by reviewing the Risk Register and Risk appetite, financial management accounts and performance against the business plan objectives via Balanced Scorecard KPI's. The Board has a good working relationship with the CEO and Senior Leadership Team.

The primary role of the Board of Adullam is to provide strategic leadership and direction, to ensure that it is financially viable, properly governed and properly managed. In addition, the Board's role is to carry out functions as set out in the Organisation's rules, but it may delegate any of its powers under written terms of reference to its committees and/or officers.

The Board seeks to continually improve services for TRS's and stakeholders to ensure high quality and strategically relevant services meet and exceed expectations whilst providing good value for money. This year will see us publishing the Tenant Satisfaction Measure outcomes via our website following a survey of 547 tenants in March 2024. The Complaints and Feedback Policy was last reviewed and implemented December 2023. The policy and guidance had been reviewed to ensure compliance with the Housing Ombudsman Service "Complaint Handling Code" to end of March 2024. Much additional work was done to ensure ease of access and information availability on our website in relation to making a complaint. A full staff briefing was circulated and the policy and procedure with associated template letters were reissued on Policy Hub. A Complaints Officer was appointed this year, with the role focusing on ensuring that the Complaints Policy, procedure, and processes are being applied/ followed throughout Adullam per the Ombudsman regulatory requirements supported by completing regular and in-depth audits of Pyramid the Housing Management System.

There was a large increase of compliments from the previous year. Expansion of services, introduction of the website and the promotion of complaints/compliments across the Association is having positive effect increasing numbers. Exit and Entrance Satisfaction Survey completion has improved, with positive results due to higher engagement under co-production and support.

The Board of Adullam has overall responsibility for, and an oversight of, performance management and the internal control framework for the Association. The Board of Adullam delegate authority to the Finance, Audit and Risk Management Committee (FARM) to deal with the detailed scrutiny of financial performance, external and internal audit, internal control, and risk management.

The Operations Committee ensures that the Association delivers on its operational work so to fulfil its regulatory obligations as well as its mission. An integral element of this committee is the regular feedback from people who live within projects or receive services across the three regions.

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Board Report incorporating the Strategic Report

The People Committee assists the Board in obtaining assurance that the Associations workforce strategies and policies are aligned with strategic aims and a performance culture where staff engagement, development and innovation is supported. They fulfil this by promoting excellence in staff wellbeing, identifying, and managing risks relating to staff and ensuring efficient and effective use of resources.

The Board of Adullam always adhere to acting in a way that they consider in good faith will be most likely to promote the success of the Association for the benefit of the people supported in the long term as well as the immediate need of our current TRS. To do this we pay regard to:

- The likely impact and consequences of decisions in the short and long term with social and financial returns clearly articulated.
- The interest of all stakeholders through working closely with and listening to issues raised by the people we support, our staff, our commissioners, regulators, suppliers, and customers.
- Understanding the impact of our services on our local and wider communities and the environment.
- Conducting our business to a high standard of conduct in terms of how our staff approach their work and the expectations from our partners and providers.

Diversity of Board Members

As part of the Board’s approach to good governance, the Association has committed to the ‘Diversity in the Boardroom’ pledge and by signing the pledge the Association is actively working towards creating a Board and Senior Leadership Team which reflects the diversity of people we work with.

<u>Gender</u>		<u>Age</u>		<u>Ethnicity</u>	
Female	4	26-40	1	People from ethnic minority groups	1
Male	6	41-64	6	White British	9
		65+	3		

Code of Governance and Regulatory Standards – Statement of Compliance

We recognise that an open, well informed, and diligent Board is an important part of effective risk management, governance, and internal control.

The Association is compliant with the NHF (2020) Code of Governance following a self-assessment.

Adullam Homes are required to complete a report to be submitted to the Housing Ombudsman in relation to the joint Complaint Handling Code ('the Code') from the Housing Ombudsman and Local Government and Social Care Ombudsman. This report will include:

- the annual self-assessment against the code to ensure the Complaint Handling Policy remains in line with requirements.
- a qualitative and quantitative analysis of complaint handling performance - with a summary of the types of complaints Adullam has not accepted.
- any findings of non-compliance with the code by the Ombudsman.
- the service improvements made because of the learning from complaints.
- its actions following any annual report about performance from the Ombudsman.
- its actions following any other relevant reports or publications produced by the Ombudsman in relation to the work of Adullam.

Adullam Homes will ensure that the annual complaints performance and service improvement report which has been reported to the Board of Management is published on the section of its website relating to complaints within the regulatory timescale.

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Board Report incorporating the Strategic Report

Adullam recognise our responsibilities as a Board to demonstrate to stakeholders and the Regulator that the Association is a going concern and fully complies with the Governance and Financial Viability Standard.

Board of Management

The Board of Management has ultimate responsibility for the Association. Its role is to lead, direct, control, scrutinise and evaluate the Association's work. This includes determining strategic direction and key policies, establishing, and overseeing control and risk management frameworks, assuring itself on the integrity of financial information and ensuring the organisation achieves its aims and objectives.

The Board remains accountable for all its functions; even those delegated to the Chair, Committees, individual directors, or senior staff, and therefore receives information about the exercise of delegated functions to enable it to maintain an effective governing body role. As Adullam has a subsidiary company, (Adullam Social Enterprises CIC) the parent Board of Adullam exercises control and oversight of the governance and operations of their activities too.

Board members (apart from the Chair of the Board) undertake an active role in the detailed scrutiny of key areas of the Association's work. Board members served on the following Committees and payment was made to the Chair and individual Board members as follows;

Board Member	Term	Committee Membership	Emoluments
Chris Green (Chair)	2014	Chair of Board from 14 th May 2018 Vice Chair to September 2023 Retired September 2023	£2,076
Andrew Cooke	2018	Finance, Audit and Risk Management Committee	£2,600
Jane Newsome	2017	People Committee (Chair)	£2,500
Stephen Philpott	2016	Operations Committee (Chair)	£2,600
Tony Price	2017	Finance, Audit and Risk Management Committee (Chair) Vice Chair Board from 20 th September 2023	£3,290
Derrick Dunkley	2022	Chair of Board from 20 th September 2022	£6,400
Julie Haywood	2022	People Committee	£2,600
Hannah Buckley	2022	Finance, Audit and Risk Management Committee	£2,600
Paul Maher	2022	Operations Committee	£2,600
Anne Dokov	2022	Operations Committee & People Committee	£2,600

The Board has delegated authority to three committees that operated during the year. Each has terms of reference, which is regularly reviewed by Board. The Committees were: -

Finance, Audit and Risk Management (FARM) Committee; Operations Committee; People Committee. The Committees provide detailed reports on required areas within their terms of reference, reporting back to Board on a regular basis.

The People Committee's role includes consideration of applications to membership of the Board, Committees, and subsidiary Boards.

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Board Report incorporating the Strategic Report

Board Attendance - 2023 to 2024

Name of Board Member	Attended	Percentage of Meetings Attended
Chris Green	3/3	100%
Andrew Cooke	4/6	67%
Jane Newsome	5/6	83%
Stephen Philpott	3/6	50%
Tony Price	5/6	83%
Derrick Dunkley	6/6	100%
Julie Haywood	4/6	67%
Hannah Buckley	3/6	50%
Paul Maher	3/6	50%
Anne Dokov	5/6	83%

Independent Committee Member	Committee
Alastair Baillie	Operations Committee
Colin Crabtree	Operations Committee

We would like to thank Board and Committee Members, staff, volunteers and supporters, contractors and partners for their hard work and support throughout this year. Their dedication has enabled us to continue to deliver our mission.

September this year brought the retirement of former Chair Chris Green and an end to his time with Adullam. He shared a message to all staff via the team newsletter. He said: "Please can you convey my thanks to the greater Adullam team who for the nine years that I have served on the Board have always inspired me, no matter what the challenges have been, to continue to deliver and provide a first-class service to our tenants and service users. We thank Chris for his years of diligent service and wish him well for the future.

The Association has a recruitment and selection policy for new Board members and is committed to succession planning and maintaining a refreshment of Board Members. As part of good governance, the Association maintains a skill gap analysis and recruits based on required skills and expertise with support from a commissioned governance consultant via RSM. There will be a recruitment process in 2024/25 to appoint three new Board members as existing Board members come to the end of their tenure.

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Financial Review of 2023/24

Five Year Highlights	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Financial Performance								
Turnover (£000)	16,838	14,435	13,755	12,107	10,806	10,848	9,837	8,508
Total comprehensive income (deficit) for the year (£000)	415	84	640	732	1,030	1,624	(956)	(304)
Financial return (%)	2.46	.58	4.65	6.05	9.53	14.97	(9.7)	(3.6)
Interest payable (£000)	136	55	48	50	52	54	63	57
Interest cover	3.82	2.33	14.40	15.86	20.77	31.03	(18.98)	(5.11)
Financial Position								
Housing Properties (cost) (£000)	26,378	26,351	26,007	24,532	24,082	23,701	23,538	24,283
Cash and cash equivalents (£000)	4,911	4,013	3,623	4,322	3,597	2,700	1,196	1,416
Net Current Assets (£000)	3,777	3,505	3,039	3,607	3,134	2,905	1,526	1,396
Current Ratio	2.38	2.76	2.63	2.78	2.70	3.66	1.82	1.74
Debt (£000)	1,814	1,854	898	942	984	1,023	1,062	1,098

Financial Review – Income 2023/24

Adullam has two main areas of business:

1. Providing accommodation for vulnerable people
2. Providing support paid for under revenue funding for supporting people contracts.

The Association secured short term contract extensions in St Helens. Adullam has increased our Ofsted Services in Alverton and Buxton and expanded our Next Steps Accommodation services in Bolton.

The Group only bids for work on a full cost recovery basis and following a service delivery risk assessment.

Financial Review – Expenditure 2023/24

Expenditure includes increased costs relating to the Association’s new contractual work and increased investment in maintenance works. Increased costs in staffing and agency cover, IT expenditure because of management actions related to increased cyber security measures and insurance cover.

Disposals of Assets

The Association maintains an ongoing active approach to Asset Management as work in various regions changes. The overarching aim is to provide and maintain properties in the most effective and efficient locations. To ensure the Association’s assets are fully utilised, represent Value for Money and provide quality housing for our TRS’s, we review our stock on a regular basis and report to Board annually. This informs the Asset Management Team on which units still satisfy the operational and business needs of the Association. All reviews are in consideration of the Association’s Asset Management Strategy and Business Plan.

In 2023/24 profit on Disposals of £335,711 reflects profit on sale of 2 properties of £345,000 and loss on component disposals.

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Cashflow

The cash generated from operating activities during the year amounts to £1,153,000. Principal repayments of £41,000 have been made to lenders in respect of loan obligations.

Corporate Strategy

As a supported housing provider, the Association is focused round the needs of TRS in addition to financial factors. The Association has chosen to work with vulnerable people, and it is recognised that this will not necessarily be the most profitable or easy work to accomplish, but we see this as an outworking of the Christian ethos, which is expressed through our mission and our values.

In the past year Adullam has experienced its most difficult period regarding the collection and its ability to administer Housing Benefit (HB), changes in HB legislation and a more comprehensive approach to evidencing HB claims has cumulated in some significant losses across many rent accounts. It was in the Northwest where Adullam experienced the biggest impact and it was our emergency accommodation service, NSAP (Next Steps Accommodation Programme) where our ability to collect rent proved the most challenging. This service was inherited from Bolton Council in March 2023, the assumption being that all rent accounts would be rolled over into the new financial year, regrettably this was not the case, and it was not until October 2024 that a resolution was achieved, and all rent accounts were in payment. During this period the Finance Audit and Risk Committee took a holistic and pragmatic approach to this deficit, recognising the significance of this service and its ability to provide accommodation to Bolton's homeless. Adullam continued with the work and addressed issues however resulting in over £400k of losses which could have detrimentally affected our business plan however due to the majority of the Association having good HB collection rates we managed to offset these losses and end the year with a positive balance against our arrears target. The Associations approach to rent collection and arrears management has been completely revised with an Arrears Strategy and Action Plan to ensure learning, recognise improvements, and embed good practice for the future.

This is the second year of Adullam's Corporate Strategy aligned to Strategic Pledges. There are four pledges across the broad categories of Providing good quality, safe and affordable homes, investing in our workforce, managing our Resources and being the best, we can. Against each strategic priority Adullam has identified a suite of Schemes / Team Workplans that provide the operational focus for the year with milestones and outcomes identified.

These milestones and outcomes are reported to Board as part of the Board assurance framework alongside the Risk Register, reports on internal controls, audit findings, deep dive reviews at Committee and Balanced Scorecard KPIs. The Executive and SLT provide assurance to Board over the key controls in place that mitigate the business as usual and exceptional risks that may threaten achievement of objectives. The Board sets the tone and influences the culture of risk management within the Association, including the level of acceptable risk (risk appetite), and formulation of a risk appetite statement with support from our internal auditors RSM.

A key opportunity in our strategy is supported accommodation for Young People with a separate Business Plan for this area led by the Registered Manager. The successful tendering for the Bolton council framework in October 2023 saw Adullam eligible to bid for young person opportunities both under Bolton council and an additional 19 local authorities under the framework for 10 years. A key priority in 2024/5 is to prepare our teams for the first Ofsted inspection under the new Regulations and ensure that compliance with our policies and procedures is embedded in practice and respond to any feedback and learning.

Our budget for 2024/25 continues to prioritise an investment in staff costs and well-being initiatives, these additional costs will support both salary uplifts to ensure market rates in a highly competitive labour environment and an ongoing commitment to the Foundation Living Wage. A People Strategy 2023-26 and a Happy Healthy and Here policy developed over the year highlighted actions to realise a performance culture where staff engagement,

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Board Report incorporating the Strategic Report

development and innovation are supported. This has been supported by the development of the Employee Voice a group of staff from across the organisation who will support this process and feed back to the People Committee.

We have reviewed our organisational structures this year and completed several restructures to enhance delivery of services and this will continue going forward as we consider roles to enable us to meet and demonstrate compliance with new statutory requirements e.g. the Consumer Standards, improvement of tenant satisfaction measures, Health and Safety and Ofsted standards for Supported accommodation and semi-independent living services for young people.

We aspire for growth of our services, and these are built upon established relationships with Local Authority partners and regional partnerships. This needs to be balanced with ensuring Adullam remains financially strong and focused on the mitigations identified in the strategic Risk Register and appropriate annual stress testing, triggers, and scenario planning.

The Board meet on a regular basis and receive regular reports on the performance of the Association to achieve the objectives of the business plan. In addition, there is a National Contract Tracker in place which provides Board members visibility on contract lengths, risk and renewal dates or retender dates. This informs annual review of the three-year business plan, stress testing and assumptions on income and expenditure going forward.

There are significant externally driven challenges, and Adullam will be robust in scenario planning to prepare for their potential impacts. We will continue to invest to ensure we can continue to create and deliver services that are sustainable and effective to meet the needs of the people we support. We continue despite rising costs and increased expectations to generate a surplus year on year to strengthen our financial viability so that we can invest in current and new services and demonstrate quality assurance. We continued to make substantial investment in maintaining our housing stock during the year, to ensure that all properties met the Decent Homes Standard and disposal of underperforming or inefficient property approved by Board in line with our objectives.

As part of our Asset Management Strategy Adullam carries out an annual impairment review of its properties. This exercise ensures that all our assets support the needs of the business, satisfy our obligations regarding our TRS and provide value for money. During the review we analyse void loss, housing related issues, potential investment required, energy performance and health and safety. Each property is then rated to see if Adullam should retain the property or seek an alternative use i.e. sell or lease. We carry out the review in March at the end of the financial year and our findings are submitted to Board. This enables us to effectively manage our stock and provide income to support the acquisition of appropriate and more sustainable properties to fulfil our objectives and growth plans.

Achievements

The Association has continued to deliver excellent practical and positive results, increasing numbers of TRS's accessing critical services and delivering on our strategic pledges.

A new project in Alfreton, Derbyshire opened this year based in a property formerly known as the Coach House, commissioned by Derbyshire County Council to provide 10 units that accommodate and support unaccompanied asylum-seeking young people.

A key focus of our operational teams is Safeguarding and continuous improvement, the Biennial Safeguarding and Incident Management meetings report directly to Board. All safeguarding issues raised across the Association are discussed, and trends, issues or concerns are highlighted with the organisational lead/national group to consider changes to policy and procedure where required. The review is attended by Safeguarding co-ordinators who present a detailed report on the themes and trends linked to regional safeguarding cases triggered in services over the last six-month period. The review also provides an opportunity to discuss any lessons learned from safeguarding cases, training opportunities and to share good practice.

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Board Report incorporating the Strategic Report

Improving staff wellbeing is a key priority and several initiatives this year have developed from the People Strategy; a new recruitment and retention group has been established with an action plan looking at improving staff turnover and recruitment challenges. Webinars have been made available by Westfield our health benefit provider and our life assurance provider including men's health, financial wellbeing, mental health and managing stress, also we continue with free membership of Calm, an online wellbeing app for all staff and 5 friends and family. This year saw us retain our Silver Award for Investors in People following a survey and assessment. Weekly team briefs were introduced following a request for improved communication and staff welcomed the opportunity to hear consistent news of what is happening across the Association.

Congratulations go to our Bolton Bridges project which by working in partnership with Adullam Social Enterprise has been successful in its application for Greater Manchester Combined Authority Community Grants. They were awarded c£30k for work with residents who are not engaging with mainstream services, with the aim of helping develop skills and abilities needed to progress into community life and work.

We completed the final year of the 3-year customer involvement and engagement strategy with many successes across the year. Staff from young people projects and young people themselves took part in the first Youth Champions Forum, with opportunities to discuss what young people wanted to see from Adullam in the future and give feedback on the 'lettable standards policy' and ideas for the Website and accessibility. A new TRS handbook and easy read version was developed led by Communications with input from the Asset Manager, Health and Safety Manager, Operational Managers, Team Leaders and TRS. The website now includes a young person's section and additional policies have been added to the My Adullam section. A further update on reporting safeguarding concerns via our website has been completed by Clear, our digital agency. This will ensure auto forwarding to those responsible for handling safeguarding concerns in each area.

Adullam was shortlisted for a total of eight awards in the Housing with Care Awards, Housing Heroes, CIH Welsh Housing Awards, Rhyl BID awards and She inspires awards. Bolton Bridges won the Team of the Year title in the inaugural year of the National Housing with Care Awards. The judges were really struck with the innovation and the teamwork that came strongly across during the interview panel. *The way in which services and provision are co-produced was inspiring and the judges felt that this team really did have the service users at the heart of everything they did.* Cheshire recovery services was shortlisted in the Tenant Coproduction category and although not winning overall our communication manager was invited to write an article about implementing successful coproduction for Care Talk magazine. Winning awards is always nice but featuring in shortlists has huge benefits, it raises the profile of the team, increases morale and the understanding of the work Adullam provides in enabling exceptional outcomes for our TRS groups.

Tenant Engagement Lead joined Adullam as tenant engagement and satisfaction lead and has led the collection of the data for the Tenant Satisfaction Measures and to build on this will develop the Scrutiny Champions group and support development of the new Coproduction and Involvement strategy over the coming year.

We continue to invest in our existing properties ensuring they provide quality, affordable homes which allow tenants, residents, and service users the opportunity to reach their potential in a safe, and supported, environment. We have completed our four-year, capital investment programme which has delivered more than £2,500,000 of modernisations to our tenants' homes, making them safer and more affordable. Adullam also recognises the impact it has on the environment and following Government guidelines, is committed to achieving a minimum energy performance rating of "C" to all its properties by 2025. Most of our homes are now fitted with smart meters allowing tenants a better understanding of their energy usage and we continue to offer emergency fuel grants during the coldest months. A new capital investment programme will be developed pending a new stock condition survey in 2024/25.

This year we've introduced additional maintenance operatives and increased our property maintenance budget by 10% and enlisted additional contractors to support us in completing repairs sooner and to the highest standard. We are confident this continuous improvement will deliver the best possible repairs service to our tenants, residents, and service users and sustain the high levels of customer satisfaction we have seen this year.

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Repairs performance has remained high, as demonstrated below with our 2023/24 figures, however, the additional scrutiny around social housing repairs, particularly damp and mould, has seen Adullam take a more proactive approach to managing repairs and improving our inspection regime.

Repairs & Maintenance 1 st April 2023 to 31 st MARCH 2024							
Priority	Number Received	Awaiting formal closure via contractors' paperwork	Completed in Time	Completed out of Time	Target 95% *	Average Completion Time	Comments
EMERGENCY	207	6	201	0	100%	10.46 Hours	N/A
Urgent	1273	48	1166	59	95%	4.37 days	N/A
Routine	2246	68	2069	109	95%	18.93 days	N/A

(*) Target from Balance scorecard, Green % is Actuals

Keeping our tenants, residents, and service users safe in their homes is a priority for Adullam. Our gas servicing programme has ensured that every Adullam property has a current gas safety certificate with carbon-monoxide sensors and hard-wired smoke detectors. Additionally, all properties have been checked for their H&S compliance and where remedial work is identified, works orders are raised and completed.

Despite another challenging year within the supported housing sector, we have seen significant improvements regarding our void losses, now sustained below 2%, and the investment and work applied to our arrears management will see improvements across all budgets. Adullam has increased its property portfolio, expanded our capital works programme, and increased repairs budgets across all regions.

In 2023/24 the Association increased the total stock owned/managed by 8 units (see table below).

	For Comparison		23/24 Totals	Variance from 22/23
	21/20 Totals	22/23 Totals		
Stock owned & managed by Adullam	425	436	428	(8)
Stock owned by Adullam, managed by others	24	17	23	6
Total stock owned	449	453	451	(2)
Stock owned by other HA's, managed by Adullam	204	204	204	-
Stock owned by LA's, managed by Adullam	13	7	22	15
Stock owned by Others, managed by Adullam	83	121	117	(4)
Total stock managed	300	332	343	11
Total Stock Owned/Managed	749	786	794	8

There has been movement across Adullam with bed spaces managed for other Local Authorities due to contract changes. These include:

- 1 dispersed property has been returned to Six Town Housing, Bury
- Gained 16 bedspaces at The Bridge, Poole Street, Bolton (owned by Bolton Council)

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During the year the number of bed spaces owned and managed has changed in response to our strategic objectives and contractual obligations:

- Gained 5 bedspaces at London Road, Buxton
- 6 bedspaces at Canal Street, Congleton is now managed by Adhoc.
- 218 Albert Road, Birmingham (4 bedspaces) has been sold.
- 91 Whitehall Road, Birmingham (3 bedspaces) has been sold.

Although this year has been challenging in terms of cost-of-living increases across the board, increasing expectations from funders and regulators, compliance requirements, investment in our staff and developing tenant engagement initiatives we have been able to generate a surplus. This enables us to strengthen our financial viability and ensure availability of funds to invest in current and new services and the Asset Management Plan.

The cash reserves policy was confirmed by Board this year at £3 million. The Board and FARM committee regularly monitor the cash position and at year end there was over £3 million available. The robustness and stability of income streams has been assessed and is monitored regularly by committees and Board.

Value for Money (VFM)

To reflect the Regulators approach to reinforce the strategic significance of Value for Money (VFM) within the sector, the Association has embedded the principles of VFM throughout its operational and strategic policies. Adullam's Value for Money (VFM) performance will be measured against its own strategic VFM targets, its peer groups, and the set of regulatory metrics.

To ensure the Association's assets are fully utilised, represent Value for Money and provide quality housing for our tenants, residents, and service users, we review our stock on a quarterly basis and report to Board annually. In conjunction with the Finance Team, a weekly breakdown of all void properties and properties which have been taken off gross is provided. This informs the Asset Management, Housing and Health & Safety Teams on which units still satisfy the operational and business needs of the Association and do not represent a risk. All reviews are in consideration of the Association's Asset Management Strategy and Business Plan.

Within the budget and business objectives the Association considers value for money in terms of Economy, Efficiency, Effectiveness, and the Creation of Social Value. The principles underpinning the way we will manage our assets and resources include:

- Meeting the needs of customers at the right time
- Customer satisfaction
- Co-production and collaboration
- Regulatory compliance and customer involvement
- Enhancement of our reputation and track record
- Support by delivery from suppliers whose prices are competitive for the quality of service delivered and yield additional social value.

Adullam Homes have a Value for Money Strategy which ensures that we have a formalised strategic approach to delivering and achieving Value for Money (VFM) in meeting our strategic aims.

The distinctive social purpose of Adullam requires us to protect and promote the interests of our TRS's and the communities we serve, while safeguarding public investment. We need to ensure the views and needs of the

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people we serve are at the heart of strategic decision making, there is robust oversight of measures to keep TRS's, other customers, and staff safe and the Board exert a firm grip of risk including testing the impact of potential risk scenarios on our plans.

The VFM Strategy is incorporated into both the strategic and operational activities of the Association. The Business Plan actions reflect this linking to other defined strategies/key policies, business priorities and team/service targets.

The Association aims to derive the most value out of every pound spent, balancing costs against the diverse requirements of the service user base. Adullam provides supported accommodation to young single homeless people, young people leaving care, those from offending backgrounds, vulnerable mothers and children, people recovering from drug and alcohol addiction, people living with enduring mental health issues and vulnerable families.

Adullam aims to help people to access safe, comfortable accommodation and support them to go on to lead independent lives. As a supported housing provider, Adullam competes on quality and cost for the awarding of support contracts from various local authority Commissioners. Through various returns to Commissioners, the Association reports on the utilisation of bed spaces and support hours provided. For the Association to thrive in this challenging environment it must constantly be aware of its cost base, the pricing of staff costs, property costs and be aware of those of its competitors. It has had to react quickly to changing geography, contract wins, and losses and the subsequent costs associated with winning and losing work and properties. The Association has had to contend with changing demand for its property stock to respond to various contact/commissioner requirements.

Strategic objectives are set and agreed by the Board, as are Adullam's performance targets and reflect the longer-term business plan. The targets are reviewed and revised annually, based on analysis of the organisation's performance, external factors as well as comparison with peers.

Provision of Support, Provision of Housing (Quantity and Quality) and Benchmarking

To assist with benchmarking, Adullam is a member of two benchmarking clubs, regularly assessing its own performance against its peers using Acuity and the House mark definitions, illustrated by "Small Providers Benchmarking (SPBM)" comparisons throughout this report.

The Association provides support, sometimes this is 'floating support' where it is not tied to properties; but most of the work is accommodation-based support, where the provision of good quality housing and support services are key to successful outcomes for TRS's.

The Association in assessing the overall success of its work and the investment that is made, measures on an ongoing basis: -

- customer satisfaction for support
- customer satisfaction for accommodation

The new Tenant Satisfaction Measures (TSMs) standard became operational in April 2023 and applies to all providers. Whilst providers with less than 1,000 stock are not required to submit their TSM data to the regulator, we will collect and report them to our tenants and stakeholders for the year 2023/24. Adullam participated in the pilot group of smaller housing associations with the regulator during 2023 and are on track to share TSM's with our tenants later in the year as a mandatory requirement. In subsequent years Acuity benchmarking information against the TSMs will also be available.

The table below shows that Adullam performs better than its peers in this area. The customer services support team and the revised co production engagement and involvement strategy with key actions and road map indicate a positive effect on customer satisfaction this year. This continues to be a key priority in the 2024/25 plan as we demonstrate performance against the tenant satisfaction measures within the consumer standards.

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Customer Satisfaction (proportion of tenants satisfied with the landlord’s services)

Measure STA001 SH	SPBM Peer Group	
	23/24: Adullam	22/23: Median
	%	%
Excellent/Good	99	89

As a Registered Provider the Association must provide properties to minimum Decent Homes Standards (DHS) and has expectations around the delivery of its repairs and maintenance services which are monitored by senior staff and the Operations Committee and via the Balanced Scorecard KPIs linking to the strategic risk register. The table below shows that Adullam outperforms its peers in this area.

Customer Satisfaction (proportion of tenants satisfied with the landlord’s repairs)

Measure STA006 SH	SPBM Peer Group	
	23/24: Adullam	22/23: Median
	%	%
Excellent/Good	96	84

Wise Use of the Association’s Assets – Key Value for Money Objective

The key strategic aspect of Adullam’s approach to value for money is hinged around using the Association support services and property assets wisely, where possible to generate a surplus to be re-invested and deliver in new owned or managed properties which meet the target need.

Impairment and Voids

As part of preparation for the end of each financial year an impairment review is undertaken on Association properties to assess ‘carrying value’, this includes obsolescence, any contamination, changes in Government policy, fire safety and cladding.

As part of our Asset Management Strategy Adullam, carries out an annual impairment review of its properties. This exercise ensures that all our assets support the needs of the business, satisfy our obligations regarding our tenants, residents, and service users, and provide excellent value for money. During the review, we analyse void loss, housing related issues, potential investment required, energy performance and H&S. Each property is then rated to see if Adullam should retain the property or seek an alternative use i.e. sell or lease. We carry out the review in March at the end of the financial year and our findings are submitted to Board. This enables us to effectively manage our stock and provide income to support the acquisition of more appropriate and sustainable properties.

The table below shows that Adullam has favourable void losses compared with its peers and represents a positive picture compared to 2022/23 of 5.7%.

Measure HMSH 30	SPBM Peer Group	
	23/24: Adullam	22/23: Median
	%	%
Void Loss	3.2	5.4

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Regulatory Metrics

The Regulator of Social Housing has a set of metrics against which all Registered Providers, regardless of their size and nature of business delivery, are required to report. The results from these metrics are shown below.

We recognise the need to compare “like with like” and the regulatory requirements to have a sector wide set of VFM metrics, however these are not fully representative of smaller housing associations and those providing supported housing for vulnerable people. Hopefully the commentary will “paint a picture” and provide background to the figures in the table below.

Metric No.	Metric Title	SPBM	Adullam	Homes:
		benchmarking report Acuity Research and Practice	results from Financial Statements	Statutory
		22/23 Median	23/24	22/23
1	Reinvestment %	3.7%	0.8%	1.8%
2A	New supply delivered % - Social Housing	0.0%	0.1%	0.4%
2B	New supply delivered % - Non-Social Housing	0.0%	0.0%	0.0%
3	Gearing %	13.24%	(11.9 %)	(8.3 %)
4	Earnings pre-interest, tax, depreciation, amortisation; major repairs included; interest cover	168%	351%	(491)%
5	Headline Social Housing Cost per Unit (excluding support and care costs)	£5,395	£12,922	£11,858
6A	Operating Margin (social housing lettings) %	13.21%	0.5%	0.4%
6B	Operating Margin (overall)%	13.34%	(0.9)%	1.2%
7	Return on Capital Employed	1.86%	0.7%	0.6%

Notes to the regulatory metrics

- 1 Figures include a commitment to deliver contracts in 2023/24.
- 2 As a specialist supported housing provider, the Association’s level of provision is not dependent upon new supply being delivered. However, the decrease in 2a relates to less new properties acquired compared to 22/23.
- 3 The Association’s low levels of debt are less than its cash at bank. There is an increase in cash balance in 2023/24 compared to 2022/23 due to the disposal of 2 properties.
- 4 The Association has increased the interest cover compared to 22/23 due to profit on property disposal and less capital expenditure.
- 5 The Association is committed to ensuring all properties meet the Decent Homes Standard and has a regular reinvestment programme.
- 6 The Association has made a surplus 2023/24. This is due to largely of profit on disposal, Operating profit is less compared to 22/23 due to a large Bad debt write off.
- 7 The Association has significantly higher social housing costs per unit than its peers. This is due to the small number of properties owned, the dispersed nature of the stock and the high levels of housing management needed to provide the level of service required by customers.

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Future VFM savings and initiatives

As part of the business plan process, VFM objectives are set by the Board in agreement with the Senior Leadership Team.

VFM objectives for 2024/25 are as follows:

- Maximising our social value - use of social value indicators and Social Value Action Plan alongside contract specific delivery plans. This has no monetary value; however, it is essential to when tendering for new business and demonstration of outcomes.
- Maximize access to Grant funding via Adullam Social Enterprise for projects and increase in volunteer hours.
- Quality Assurance Policy Framework and Quality Management system implemented and overseen by Quality Assurance Manager.
- Considering the Stock Condition Survey and the core objectives in the Asset Management Strategy. In delivering an efficient asset service value will be driven into our construction and support costs with robust procurement protocols implemented in-line with audited recommendations. Obtain a targeted 20% reduction on NATFED Schedule of Rates.
- Full tender process for IT Managed Service Delivery with support from Procurement for Housing.
- Demonstrate service quality and outcomes in terms of supported accommodation for young people providing a platform for enhancement of our reputation and potential for revenue growth of new services.
- Internal Workplan Process for all central and operational services with a Golden Thread running from the annual Business Plan priorities to individual appraisal targets in the Striving for Excellence process and supporting Training Pathways. This has no monetary value, however, will support reducing vacancies and increase staff development.
- Happy, Healthy and Here strategy with actions focused on staff's ongoing mental health and wellbeing.
- Commission Networkx the recruitment module within Cascade to enhance recruitment and onboarding.
- The strategic acquisition of properties for Adullam to reduce managed leased properties.
- Review of all Pyramid modules and functionality to improve work tools with the establishment of a new Pyramid version alongside the roll out of training. Support the development of text messaging for support and rents module. This has no monetary value, however, increases efficiency and communication.
- Reduction in agency usage via workforce development and multi-channel recruitment.
- Organisational development initiatives including learning and development, succession planning, staff wellbeing and enhanced communication. This has no monetary value; however, this will have a positive effect on recruitment and retention.
- Deliver a coordinated Co-production, engagement and involvement strategy across the Association and maximize the use of volunteer hours particularly with lived experience. This has no monetary value; however, this will contribute to the demonstration of regulatory compliance in terms of consumer standards.
- Use of social media and applications to sector awards to raise our profile. This has no monetary value, however, reflects on potential improvement in recruitment, reputation, and award of new or extended contracts.
- Reduce dependency on high-cost land lines at all office sites.

The Board will receive updates on the annual VFM objectives at FARM committee and Board meeting to monitor performance.

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Rent Policy

Rents and service charges are approved and set for all our properties as part of our annual budget setting exercise as well as ensuring compliance with the Government's rent formula and other regulations. Service charges are set at affordable levels and ensure full cost recovery.

Arrears Policy

The Arrears performance is reported to and monitored by the FARM Committee and Arrears metrics are included in monthly management accounts. The arrears strategy and action plan developed by the National Housing Manager will provide leadership to a revised approach to rent collection and arrears management.

Treasury Management Policy

Adullam has a Treasury Management Policy which sets out the parameters and controls for treasury activities. It has been compiled using the CIPFA Code of Practice for Treasury Management in Public Services. The policy is reviewed annually by the Board. In respect of Treasury arrangements, these are actively managed. Adullam does not have any abnormal exposure to price, credit, liquidity, and cash flow risks arising from its trading activities. Adullam does not enter any hedging transactions and no trading in financial instruments is undertaken. Adullam has three principal funders being Orchardbrook, Triodos and Charity Bank. These loans at the date of this report are at a fixed rate.

Internal Controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness as a whole. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss. In meeting its responsibilities, the Board has approved an effective framework to identify and manage the significant risks to the Group's operations. This risk-based approach to establishing and maintaining internal controls is embedded within day-to-day management and governance processes. The approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and is consistent with best practice.

Annual Review of the effectiveness of the System of Internal Control

The Board delegates responsibility for the annual review of the effectiveness of the system of internal control to the FARM Committee. The FARM Committee take account of any changes needed to maintain the effectiveness of the management and control process for risk and fraud. The FARM Committee met 6 times during the financial year. Assurance over the control environment was obtained from the following main sources:

Risk Management

The risk management policy provides a clear framework linking overall Strategy to Risk Appetite to Value for Money. Adullam Homes views risk as the possibility that an action, event or set of circumstances will adversely or beneficially affect the ability to achieve its objectives. Risk appetite is a core consideration in the risk management approach. Adullam Homes Board members and Executive express clearly and review regularly the extent of their willingness to take risk to meet their strategic objectives.

The Assurance Framework is the key source of evidence that links strategic objectives to risks, controls and assurances, and the main tool that the Board use in discharging its overall responsibility for internal control.

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Sources of Assurance include:

- Risk 'deep-dives'
- Management assurance (ad-hoc reports)
- Management assurance (regular reports)
- Regulatory Audit, inspection
- Internal Audit / External Audit
- Assurance by expert third parties
- Inspection and quality audits by Commissioners

Our biggest challenge and risk relate to the recruitment and retention of staff and high labour cost inflation alongside the risk flowing from the general economic and social environment. The markets we operate in remain fiercely competitive and the squeeze on margins is challenging so we are working hard to evolve new effective delivery pathways at the same time as developing new delivery partnerships and meeting commissioners' priorities and quality assurance requirements in the geographies we operate.

An effective risk management framework sits at the core of the system of internal control. The Board confirms that the process for identifying, evaluating, and managing the risks faced by the organisation is ongoing, the process has been in place throughout the year and up to the date of approval of the annual report and accounts and is regularly reviewed by the Board.

The FARM Committee reviews, at each meeting, the contents and scoring of the risk register on behalf of the Board who maintain direction and oversight as part of good governance. The Executive and Senior Leadership Team regularly consider reports on risks and the Chief Executive is responsible for reporting to the Board any significant changes affecting key strategic risks.

A new Business Disaster Recovery and Continuity working group was established in January to look at risks that are possible and likely to require a business continuity recovery event. Each service delivery area has revised their business continuity plans this year.

Internal Audit

The prime responsibility of the internal audit service is to provide the Board with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced.

The Internal Auditor has direct access to the FARM Committee including in-camera meetings without management present.

The FARM Committee reviews the findings arising from all Internal Audit Reports and is provided with progress reports on the implementation of all agreed recommendations for improvement to the point of conclusion.

Five internal Audits were carried out during the year conducted by our retained consultants RSM

- Damp and Mould
- Sickness Absence
- Safeguarding
- Health and Safety compliance including data quality
- Advisory audit for compliance against the Housing Ombudsman self-assessment standards

A follow up audit was conducted in April 2023 by our internal auditors on previous actions to check compliance and implementation with a judgement that 'in our opinion the Adullam Homes Housing Association has demonstrated

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good progress in implementing agreed management actions.’ For the nine management actions it was confirmed that all have been fully implemented.

Fraud Management

The Association operates a zero-tolerance approach to any instances of fraud or corruption, this year a new Probity policy was developed which replaced the Anti-Fraud & Bribery policy, in addition an Anti-Money Laundering policy and Whistleblowing policy link to this policy. A fraud register is maintained by the Company Secretary and in line with the revised policy six monthly Probity meetings led by the CEO and Head of Business Assurance. There were no material issues identified during the year. The Group has appropriate insurance cover in place to mitigate the potential financial losses associated with fraud.

Information and Financial Reporting Systems

Financial reporting provides detailed annual budgets, detailed treasury reports, value for money reporting and monthly management accounts and cashflows which are reviewed by FARM Committee and the Board.

Any issues raised in the external audit management letter issued at the conclusion of the annual audit are dealt with to the satisfaction of both the external auditor and the FARM Committee with progress tracked to the point of conclusion.

Key performance indicators and business objectives set as part of the performance management framework are regularly reviewed by the Group Board to assess progress and outcomes against the rolling three-year Business Plan.

Budgetary responsibility

Each employee who has financial or devolved budgetary responsibility is provided with a copy of the Financial Regulations and Schedule of Delegation. Employees shall be responsible for the accountability and control of all resources including plant, buildings, materials, cash, and stores relating to their areas of responsibility.

The FARM Committee is responsible for making recommendations to the Group Board on amendments to Financial Regulations as it considers necessary for the supervision and control of the finances, accounts, income, expenditure, and assets of the Group. The Financial Regulations were reviewed and approved in March 2023 with delegated authority agreed for a number of roles increased and reflecting organisational restructures and will be reviewed in 2024/25.

Going concern statement

The budget for Adullam for 2024/25 shows an accounting surplus (prior to any surplus on asset sales) of £278k. The budgeted surplus for Adullam Social Enterprises CIC is £4k.

The budget for Adullam has been developed and compiled by the Financial Controller, Regional Managers, Operational Managers and the Property & Contracts Manager, then reviewed with the Senior Leadership Team and ultimately challenged and approved by Adullam’s Board. Property budgets have been compiled by a detailed and comprehensive review by the above.

The business plan priorities for 2024/25 have been set within the context of the Corporate Strategy 2022-25, the Golden Rules established by Board for budget setting also consider the sector risk profile. The Golden rules for 2024/25 include:

- Rents set at 7.7% cap
- Rents exempt from cap set in accordance with the tenancy agreement/benefit limits
- Loan covenants met
- Maintenance of cash balance of £3 million

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- Budget needs to deliver Asset Management Strategy, particularly:
 - decarbonisation/energy efficiency works.
 - ensure Adullam meet Decent Homes Standard, particularly relating to damp and mould.
- Supports service delivery to achieve Customer Satisfaction of at least 90%
- Supports delivery of emerging strategic priorities around new business and staffing

Rental Income for 2024/2025 is £13.8m. In accordance with the The Department for Levelling Up, Housing and Communities (DLUHC) Adullam's Board are advised that all rents have been set within the rent policy published. These permit annual rent increases on both social rent and affordable rent properties of 7.7% cap for 2024/2025. Service Charge income for properties reflect accurate costs for service contracts, property management contracts, salaries regarding Enhanced Management and salaries regarding concierge and inflation of some services.

Voids Budget for 2024/2025 is £525k. This has been reviewed and void rates for each area have been considered, based on current run rates. There is an increase compared to 2023/24 due to the increase in rental income.

Bad Debt provision has been reviewed and bad debt provision rates for each area have been considered individually on current rates. Adullam Homes Housing Association is in a better position regarding the impact of Universal Credit than several general needs providers of accommodation due to our 'exempt status'.

Revenue funding for supporting people budget has considered current contracts in place and the likelihood of renewal.

The staffing budget is made up of all existing posts on the current establishment and any vacancies. The budget for the year incorporates revenue funding for supporting people contractual hours and Enhanced Housing Management. Agency has been considered at a rate of 6% where required. Salaries for Support Workers, Project Workers, TSO's and Concierge staff have been increased to assist with staff retention.

Service charge budget of £3.2m has considered the service charge income and actual expenditure and the costs are covered by the income generated apart from where staff are based on site which is covered by the management fee.

Property costs of £3.1m include the service contracts in place. Within this budget there is £2.1m provided for Landlord payments, which nets off the income we collect in for rents and service charges. This figure has increased from 2023/24 budget and largely relates to the new contracts.

Project overheads have been set based on reviews with Senior Leadership Team members, Operational Managers and Regional Managers.

The cash flow for Adullam Homes is based on the 2024/25 budget. Assumptions are listed below:

- All cash profiles have considered the start and end of support contracts
- Support contracts have been profiled further for contracts that which are paid monthly/quarterly/half yearly basis
- Staffing is profiled equally over the 12 months
- Expenditure has been considered on a monthly/quarterly/half year/yearly basis where possible
- VAT considers the income less the expenditure as per standard
- Capital expenditure of £490k which relates to the Stock Condition survey
- Increase on investment of staff

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To ensure budgets are effectively managed and controlled, monthly management accounts are produced for Adullam staff, Board and FARM. These are then reviewed and acted upon by Adullam staff monthly. The Association can meet existing loan covenant requirements.

Senior leadership engage in a reviewing a 3-year Business Plan and stress testing each year. FARM Committee and Board also review and approve a 3-year Business Plan based on 2023/2024 budget. Stress testing outcomes for Adullam based on the 3-year Business Plan 2023/2024 are also reviewed and approved. A number of scenarios were applied with testing of those scenarios/triggers and the actions required if the triggers materialised. Multiple scenarios happening together were considered in addition to the individual scenarios.

On this basis, the Board has reasonable expectation that Adullam has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Control Environment and Procedures

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and sub-Committee membership is reviewed annually in line with the membership policy terms. Compliance with the chosen code of governance and the Regulatory Framework is reviewed annually.

The Board retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance matters and new investment projects. The Board disseminates its requirements to employees through a framework of policies and procedures.

The Board confirms that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Group and for preventing, detecting, investigating, and insuring against fraud. This process had been in place throughout the year under review, up to the date of the Annual report, and is regularly reviewed by the Board.

Public Benefit Entity

As a public benefit entity, Adullam has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

Information for the Auditor

The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make them aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

Annual General Meeting

The annual general meeting will be 18th September 2024.

External Auditor

The Association's external auditor is Beever and Struthers. A resolution to re-appoint Beever and Struthers will be proposed at the forthcoming annual general meeting.

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By Order of the Board:

Signed:

A handwritten signature in grey ink that reads "a.sargent".

Date: 17th July 2024

**Alison Sargent
Chief Executive**

Adullam Homes Housing Association Limited

Independent auditor's report to the members of Adullam Homes Housing Association Limited

Opinion

We have audited the financial statements of Adullam Homes Housing Association Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statements of Financial Position, the Group and the parent association's Statements of Changes in Reserves, the Group 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 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 group's and of the parent association's affairs as at 31 March 2024 and of the group's and the parent association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent 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 Board is responsible for the other information. The other information comprises the information included in the annual report, 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.

Adullam Homes Housing Association Limited

Independent auditor's report to the members of Adullam Homes Housing Association Limited

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 parent 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 8, 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 group's and the parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or the parent 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Adullam Homes Housing Association Limited

Independent auditor's report to the members of Adullam Homes Housing Association Limited

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the group's activities and the regulated nature of the group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Adullam Homes Housing Association Limited

Independent auditor's report to the members of Adullam Homes Housing Association Limited

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.

Beever and Struthers

Beever and Struthers, Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT
Date: 11 September 2024

Adullam Homes Housing Association Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	2	16,838	14,435
Operating expenditure	2	(16,655)	(14,282)
Exceptional Items	2	-	-
Surplus on disposal of property, plant and equipment	3	336	(25)
Operating surplus		519	128
Finance income		34	13
Interest and financing costs	4	(136)	(55)
Surplus before tax	5	417	86
Taxation	8	(2)	(2)
Total comprehensive income for the year		415	84

The financial statements on pages 30 to 57 were approved and authorised for issue by the Board on 17th July 2024 and were signed on its behalf by:



Chair:
Derek Dunkley



Vice Chair:
Tony Price



Chief Executive:
Alison Sargent

Adullam Homes Housing Association Limited

Association Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	2	16,821	14,361
Operating expenditure	2	(16,641)	(14,210)
Exceptional Items	2	-	-
Surplus on disposal of property, plant and equipment	3	336	(25)
Operating surplus		<u>516</u>	<u>126</u>
Finance income		34	13
Interest and financing costs	4	(136)	(55)
Surplus before tax	5	<u>414</u>	<u>84</u>
Taxation			-
Total comprehensive income for the year		<u><u>414</u></u>	<u><u>84</u></u>

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Chair:
Derek Dunkley



Vice Chair:
Tony Price



Chief Executive:
Alison Sargent

Adullam Homes Housing Association Limited

Consolidated Statement of Financial Position

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	9	8	14
Housing properties	10	20,547	20,674
Other property, plant and equipment	11	1,286	1,132
		<hr/>	<hr/>
		21,841	21,820
Current assets			
Debtors	13	1,600	1,486
Property held for sale	25	-	-
Cash		4,911	4,013
		<hr/>	<hr/>
		6,511	5,499
Creditors: Amounts falling due within one year	14	(2,734)	(1,994)
		<hr/>	<hr/>
Net current assets		3,777	3,505
		<hr/>	<hr/>
Total assets less current liabilities		25,618	25,325
Creditors: Amounts falling due after more than one year	15	(1,894)	(1,842)
Deferred capital grant	16	(11,731)	(11,914)
		<hr/>	<hr/>
Net assets		11,993	11,569
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called-up share capital	22	*	-
Revenue reserve		11,818	11,384
Restricted reserve		175	185
		<hr/>	<hr/>
Total reserves		11,993	11,569
		<hr/> <hr/>	<hr/> <hr/>

* Non-equity share capital for 2023/24 is £18 (2022/23 £18)

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Adullam Homes Housing Association Limited

Association Statement of Financial Position

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	9	8	14
Housing properties	10	20,547	20,674
Other property, plant and equipment	11	1,286	1,132
		<hr/>	<hr/>
		21,841	21,820
Current assets			
Debtors	13	1,586	1,479
Cash		4,790	3,887
		<hr/>	<hr/>
		6,376	5,366
Creditors: Amounts falling due within one year	14	(2,711)	(1,963)
		<hr/>	<hr/>
Net current assets		3,665	3,403
		<hr/>	<hr/>
Total assets less current liabilities		25,506	25,223
Creditors: Amounts falling due after more than one year	15	(1,894)	(1,842)
Deferred capital grant	16	(11,731)	(11,914)
		<hr/>	<hr/>
Net assets		11,881	11,467
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called-up share capital	22	*	-
Revenue reserve		11,706	11,282
Restricted reserve		175	185
		<hr/>	<hr/>
Total reserves		11,881	11,467
		<hr/> <hr/>	<hr/> <hr/>

* Non-equity share capital for 2023/24 is £18 (2022/23 £18)

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Chair:
Derek Dunkley



Vice Chair:
Tony Price



Chief Executive:
Alison Sargent

Adullam Homes Housing Association Limited

Consolidated Statement of Changes in Reserves

At 31 March 2024

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2022	11,318	176	11,494
Total comprehensive income for the year	84	-	84
Transfer of restricted expenditure from unrestricted reserve	(9)	9	-
At 31 March 2023	11,393	185	11,578
Total comprehensive income for the year	415	-	415
Transfer of restricted expenditure from unrestricted reserve	10	(10)	-
At 31 March 2024	11,818	175	11,993

Adullam Homes Housing Association Limited

Association Statement of Changes in Reserves

At 31 March 2024

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2022	11,207	176	11,383
Total comprehensive income for the year	84	-	84
Transfer of restricted expenditure from unrestricted reserve	(9)	9	-
At 31 March 2023	11,282	185	11,467
Total comprehensive income for the year	414	-	414
Transfer of restricted expenditure from unrestricted reserve	10	(10)	-
At 31 March 2024	11,706	175	11,881

Adullam Homes Housing Association Limited

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

		2024	2023
	Note	£'000	£'000
Net cash generated from operating activities	1a	1,153	283
Cash flows from investing activities			
Purchase of property, plant and equipment	9/10/11	(662)	(883)
Purchase of properties under construction	10	-	-
Proceeds from sale of property, plant and equipment	3	550	125
Interest received		34	13
Net cash flows from investing activities		1,075	(462)
Cash flows from financing activities			
Interest paid	4	(136)	(55)
Repayments of borrowings	19	(41)	(46)
New Finance		-	953
Net change in cash and cash equivalents		898	390
Cash and cash equivalents at beginning of year		4,013	3,623
Cash and cash equivalents at end of year		4,911	4,013

Adullam Homes Housing Association Limited

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

		2024	2023
Note 1a	Note	£'000	£'000
Surplus for the year		415	84
Adjustments for non-cash items			
Depreciation, amortisation and scrapping of tangible and intangible fixed Assets	9/10/11	278	378
Amortisation of capital grant	16	(344)	(176)
Grant amortisation written back on disposal	16	85	19
Interest payable		136	55
Interest receivable		(34)	(13)
Surplus on disposal of property, plant and equipment	3	(9)	(25)
Operating cashflow before movements in working capital		527	322
Increase in Debtors	13	(114)	(201)
Increase in Creditors	14	740	162
Net cash generated from operating activities		1,153	283

Note 1b

Analysis of changes in net debt

Group	At Beginning of Year	Cashflows	At End of the Year
	£'000	£'000	£'000
Cash and Cash Equivalents	4,013	898	4,911
Housing Loans Due in One Year	(41)	(2)	(43)
Housing Loans Due After One Year	(1,813)	42	(1,771)
Net Funds	2,159	938	3,097

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

Accounting policies

Legal Status

Adullam Homes Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Walter Moore House, 34 Dudley Street, West Bromwich B70 9LS. The principal activity of the Association is that of housing support to individuals from vulnerable backgrounds.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. As a public benefit entity, Adullam has applied the public benefit entity ‘PBE’ prefixed paragraphs of FRS 102.

These 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 2012. The accounts are prepared on the historical cost basis of accounting. Housing properties are stated at cost. The Association does not own any assets classified as financial instruments that require periodic revaluation. Therefore, no modification to the historic cost basis of accounting has been necessary. The financial statements are presented in pounds sterling and are rounded to thousands of pounds.

Basis of Consolidation

A wholly owned subsidiary: Adullam Social Enterprises Community Interest Company ‘CIC’ was incorporated on and commenced operations on 2 April 2016. The Association has therefore prepared consolidated financial statements from 31 March 2018 onwards. The consolidated financial statements incorporate those of Adullam Homes Housing Association Limited and its subsidiary each year made up to 31 March.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Reduced Disclosures

In accordance with FRS 102, the Association has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Adullam Homes Housing Association Limited;

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 ‘Basic Financial Instruments’ & Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future, based on budgeting and cash flow forecasting for 2023/24 and the first half of 2024/25. There has been no breach in loan covenants and it has been concluded that there is no imminent or likely future breach in borrowing covenants.

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Revenue funding for supporting people is recognised in line with the contractual arrangements.

Support income and costs including revenue funding for supporting people and costs

Revenue funding for supporting people (SP) contract income received from Administering Authorities is accounted for as support income in Turnover as per note 2. The related support costs are matched against this income in the same note.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Taxation

The Association has charitable status for taxation purposes and no liability to corporation tax arises on its results for the year. The subsidiary company is subject to corporation tax in the same way as any commercial organisation.

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group is partially exempt and recovers VAT under a standard partial exemption method.

Intangible fixed assets

Intangible fixed assets comprise capital investment in computer software. Intangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost to its estimated residual value on a straight-line basis over its expected useful life, as follows:

	Years
Software	5

Tangible fixed assets and depreciation

Housing properties

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 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 UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

	Years
Structure	120
Roofs	60
Bathroom	30
Windows	30
Heating	20
Kitchens	20

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

The Group depreciates housing properties held on long term 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.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Freehold offices	50
Sprinkler systems	20
Furniture and equipment	10
Storage Heaters	10
Doors	10
Velux Windows	10
External Barriers	10
Fire Alarm systems	10
Electrical Showers	10
Office equipment	5
CCTV	5
Motor Vehicles	5
Web Design	3
Mobile Phones	3
Laptops	3

Impairment of fixed assets

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income. Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group. In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

Leasing and hire purchase

Annual rentals on operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

Stock and properties held for sale

The Group does not hold any significant stocks of materials. Properties which have been identified for sale and are in a state in which a sale could proceed as at the year-end are recorded as a current asset.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure and components (not land), under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Social Housing and other government grants

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is recorded as a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Asset Disposals

Asset disposals are recognised upon the unconditional exchange of contracts relating to the disposal.

Employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the year end.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

Retirement benefits

The cost of providing pensions and related benefits is charged to management costs over the periods benefiting from the employees' services. All pension arrangements in which the Group participates are defined contribution schemes.

Reserves

The Association carries two types of reserves;

- a) Restricted reserve and
- b) Unrestricted reserves

Restricted Reserve

The following restricted reserve is held as follows:

- a) Welfare Fund

Unrestricted Reserves

The total unrestricted reserve is represented by the income and expenditure reserve shown in the financial statements. As at 31 March 2024 this amounted to £11,818,000 (31 March 2023: £11,384,000). This balance is accumulated net surplus that Adullam Homes has generated since its formation in July 1972.

As a housing group owning a portfolio of properties, most of the surplus generated has been re-invested into maintaining its property stock.

The Group has a reserves policy which is renewed annually. The policy identifies the Group unrestricted, unencumbered cash backed reserves as equivalent to the net current assets of the Group. As at 31 March 2024 this amounted to £4,911,000 (31 March 2023: £4,013,000).

This policy aims to build unrestricted, unencumbered cash backed reserves up to sum representing three months' expenditure plus a buffer of 10% at year end. This would currently amount to approximately £4,110,000 (31 March 2023: £3,528,000).

The policy is read in conjunction with the Association Treasury Management policy, which stipulated a minimum cash holding of £3m.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Such debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

Financial liabilities

Creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

2a. Particulars of turnover, cost of sales, operating costs and operating surplus – Group

	2024		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (note 2b)	16,725	(16,641)	84
Other social housing activities	113	(14)	99
Total	16,838	(16,655)	183

	2023		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (note 2b)	14,265	(14,210)	55
Other social housing activities	170	(72)	98
Total	14,435	(14,282)	153

The above amounts for the Association differ by turnover of £17,000 and operating costs of £14,000 in respect of Adullam Social Enterprises CIC.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

2b. Particulars of Income and Expenditure from social housing lettings – Group and Association

All Supported Housing	2024 Total £'000	2023 Total £'000
Income		
Rents receivable	3,877	3,258
Service charge income	8,777	6,770
Amortised government grant	173	176
Other grants	328	342
Support Services/Supporting People	3,570	3,719
Turnover from social housing lettings	16,725	14,265
Expenditure		
Service charge costs	6,651	5,733
Management	2,566	2,248
Care and Support Costs	3,069	2,987
Routine maintenance	836	870
Bad debts	832	453
Leased Charges	2,266	1,541
Depreciation of housing properties	319	313
Depreciation of other fixed assets	102	65
Exceptional Items	-	-
Operating costs	16,641	14,210
Operating surplus social housing lettings	84	55
Void losses	441	547

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

3. Surplus/(Deficit) on disposal of property, plant and equipment

	2024 £'000	2023 £'000
Disposal proceeds	550	125
Costs of sale	(214)	(150)
	<hr/>	<hr/>
Surplus/(Deficit) on disposal	336	(25)

4. Interest and finance costs

	2024 £'000	2023 £'000
Bank loans repayable in more than five years	136	55
On late payment of supplier invoices		-
	<hr/>	<hr/>
	136	55

5. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/(crediting):

	2024 £'000	2023 £'000
Depreciation of property, plant and equipment	421	378
Amortisation of Grant	(176)	(173)
Audit fees:		
- Statutory audit	25	24
- Statutory audit over runs 22/23	-	-
- Audit-related assurance services	2	1
Operating lease rentals	2,266	1,541

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

6. Staff costs

	2024 £'000 Group	2023 £'000 Group	2024 £'000 Association	2023 £'000 Association
Wages and salaries	6,279	5,696	5,626	5,088
Social security costs	511	464	498	452
Pensions and other costs	144	143	140	139
Redundancy and severance	50	33	50	33
	6,984	6,336	6,314	5,712

The Full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 were as shown below.

Salary Band £'	2024 Number	2023 Number
60,000 – 69,999	-	2
70,000 – 79,999	2	1
80,000 – 89,999	1	1
90,000-99,999	-	-
100,000-109,999	1	-

The Association average full-time equivalent number of employees was:

	2024 Number	2023 Number
The average number of persons employed during the year expressed in full time equivalents (37.5 hours per week)	206	181

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

7. Directors' remuneration and transactions

Key management personnel remuneration

	2024	2023
	£'000	£'000
Directors who are executive staff members		
Wages and salaries	186	177
Social security costs	24	24
Other pension costs	9	9
Compensation for loss of office	-	-
Estimated money value of any other benefits otherwise than in cash	11	10
Board members		
Wages and salaries	30	33
Social security costs	-	-
Other pension costs	-	-
	<hr/> 260	<hr/> 253

Directors are defined as the members of the Board, Chief Executive, Director of Operations and Director of Housing.

	2024	2023
	£'000	£'000
Remuneration of the highest paid director, excluding pension contributions:		
Emoluments	102	97

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

8. Taxation

The Association has charitable status for taxation purposes and no liability to corporation tax arises on its results for the year.

Adullam Social Enterprises C.I.C corporation tax under accrual of £543 for 2022/23, plus an accrual of £1,067 provision for 23/24. (£2,361: 2023)

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

9. Intangible fixed assets - software

Group and Association

	Total
	£'000
Cost	
At 1 April 2023	349
Additions	-
Disposals	-
As at 31 March 2024	<u>349</u>
	<u><u>349</u></u>
Amortisation	
At 1 April 2023	335
Charge for the year	6
Eliminated on disposals	-
As at 31 March 2024	<u>341</u>
	<u><u>341</u></u>
Net book value	
As at 31 March 2024	<u>8</u>
As at 31 March 2023	<u>14</u>
	<u><u>8</u></u>

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

10. Tangible fixed assets – housing properties

Group and Association	Completed properties £'000	Under construction £'000	Total £'000
Cost or valuation			
At 1 April 2023	26,351	-	26,351
Completed properties acquired	182	-	182
Components capitalised			
Works to existing properties	-	-	-
	207	-	207
Disposals	(362)	-	(362)
Transfers from Properties held for Sale	-	-	-
At 31 March 2024	26,378	-	26,378
Depreciation			
At 1 April 2023	5,677	-	5,677
Charge for the year	299	-	299
Eliminated on disposals	(145)	-	(145)
Transfers from Properties held for Sale	-	-	-
At 31 March 2024	5,831	-	5,831
Net book value			
At 31 March 2024	20,547	-	20,547
At 31 March 2023	20,674	-	20,674

All works to existing Housing properties relate to capitalised expenditure on components. During the year replacements were made to heating systems, kitchens, bathrooms, and windows.

The net book value of freehold land and buildings at 31st March 2024 was £19,919,282 (2023: £20,039,436) and £625,393 (2023: £635,940) in respect of long leasehold land and buildings.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

11. Property, plant and equipment – other

Group and Association	Freehold £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2023	1,052	942	67	2,062
Additions	-	273	-	273
Disposals	-	-	-	-
At 31 March 2024	1,052	1,215	67	2,335
Depreciation				
At 1 April 2023	292	615	23	930
Charge for the year	21	83	14	118
Disposals	-	-	-	-
At 31 March 2024	313	698	37	1,048
Net book value				
At 31 March 2024	739	517	30	1,286
At 31 March 2023	760	327	45	1,132

12. Investments

The Association's subsidiary undertaking Adullam Social Enterprises C.I.C is owned through virtue of control. Adullam Social Enterprises C.I.C is a company limited by guarantee and as such does not have share capital.

13. Debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year:				
Rent arrears	1,010	986	1,010	986
Provision for bad debts	(712)	(631)	(711)	(630)
Trade debtors	693	610	685	610
Prepayments and accrued income	577	510	577	502
Other debtors	32	11	25	11
Amounts owed by Group undertakings	-	-	-	-
	1,600	1,486	1,586	1,479

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

14. Creditors – amounts falling due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans (note 19)	43	41	43	41
Trade creditors	1,118	877	1,113	867
Rents received in advance	586	423	586	423
Other taxation and social security	210	159	184	148
Accruals and deferred income	638	403	623	384
Recycled Capital Grant (note 17)	-	-	-	-
Other creditors	139	91	139	91
Amounts owed to Group undertakings	-	-	23	9
	2,734	1,994	2,711	1,963

15. Creditors – amounts falling due after more than one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans (note 19)	1,771	1,813	1,771	1,813
Recycled Capital Grant (note 17)	168	76	168	76
Costs of Raising Loans	(45)	(47)	(45)	(47)
	1,894	1,842	1,894	1,842

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

16. Deferred income - Government grants

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April 2023	11,914	12,147	11,914	12,147
Grants receivable/reallocated	76	-	76	-
Amortisation to Statement of Comprehensive Income	(171)	(176)	(171)	(176)
Disposals	(173)	(76)	(173)	(76)
Grant amortisation written back on disposal	85	19	85	19
At 31 March 2024	11,731	11,914	11,731	11,914
Net deferred income – Government grants				
Due within one year	167	172	167	172
Due after one year	11,564	11,742	11,564	11,742
At 31 March 2024	11,731	11,914	11,731	11,914

17. Recycled Capital Grant Fund

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April 2023	76	-	76	-
Grants released on disposal	168	76	168	76
Grants recycled	(76)	-	(76)	-
At 31 March 2024	168	76	168	76
Net deferred income – Government grants				
Due within one year	-	-	-	-
Due after one year	168	76	168	76
At 31 March 2024	168	76	168	76

18. Grant and financial assistance

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Held as deferred capital grant	11,731	11,914	11,731	11,914
Recognised as income in revenue reserves	5,517	5,425	5,517	5,425
Held in Recycled Capital Grant	168	76	168	76
Total accumulated government grant and financial assistance	17,416	17,415	17,416	17,415

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

19. Analysis of debt repayments

Borrowings are repayable as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans				
Between one and two years	49	45	49	45
Between two and five years	232	202	232	202
After five years	1,490	1,566	1,490	1,566
	1,771	1,813	1,771	1,813
On demand or within one year	43	41	43	41
	1,814	1,854	1,814	1,854

Loans are secured by specific charges on the Association's individual housing properties. The loans are repayable monthly at varying rates of interest and are due to be repaid in 2032, 2037 and 2048.

£178,275 (Orchardbrook Ltd) (31st March 2023 £189,563) repayable quarterly for 31 years commencing in 2000; interest rate 10.9625%.

£635,670 (Triodos bank) (31st March 2023 £664,245) repayable monthly for 25 years; interest rate of 3% above base rate.

£1,000,000 (Charity bank) (31st March 2023 £1,000,000) repayable monthly for 25 years; interest rate of 2.25% above base rate.

20. Pension Obligations

The Group operates a defined contribution pension scheme which targets a guaranteed basic sum, evaluated on contributions up to the year of retirement. The assets of the scheme are held separately from those of the Group, in trustee administered funds. Contributions to the scheme are charged to the Statement of Comprehensive Income in the period to which they relate. Separate to the Pension Scheme, there is also a death in service insurance scheme. The scheme provides benefits equal to four times an employee's final salary.

The total cost of employer pension contributions for the year ended 31st March 2024 was £144,365 (2023: £142,828)

An amount of £7,866 was payable to the fund at the year end and is included in creditors payable within one year (2023: £7,638).

The Chief Executive is an ordinary member of the pension scheme. No special terms apply. The Association does not contribute to any other pension arrangement for the Chief Executive.

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

21. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities measured at fair value are summarised by category below:

	Group	
	2024	2023
	£'000	£'000
Financial assets		
Measured at amortisation cost	1,554	1,247
Financial liabilities		
Measured at amortisation cost	3,506	3,149

22. Share capital

	2024	2023
	£	£
At beginning of year	18	18
Issued during the year	-	-
Cancelled during the year	-	-
At end of year	18	18

The value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights.

23. Financial commitments

Operating lease commitments:

The Group hold properties and office equipment under non-cancellable operating leases. Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Payments due: -				
- within one year	764	706	764	706
- between one and five years	87	106	87	106
- after five years	222	56	222	56
	1,073	868	1,073	868

Adullam Homes Housing Association Limited

Notes to the financial statements

For the year ended 31 March 2024

24. Housing stock

Group and Association	2024 Number	2023 Number
Owned and managed		
Supported housing accommodation	752	744
General needs housing accommodation	19	19
	771	763
	23	23
Managed by Others	23	23

25. Related party transactions

During the year Adullam Homes Housing Association had the following transactions with non-regulated entities which form part of the Group.

Subsidiary/Non-Regulated Entity	Transaction	2024 £'000	2023 £'000
Adullam Social Enterprises C.I.C (ASE)	Management charge to ASE	10	10
	Agency charges for staff time from ASE	736	633

Recharges are made at cost. Adullam Social Enterprises C.I.C is a wholly owned subsidiary incorporated in England on 2 April 2016.

At 31 March 2024 between Adullam Homes Housing Association and Adullam Social Enterprises C.I.C, non-regulated entity which forms part of the Group:

	2024 £'000	2023 £'000
Adullam Homes Housing Association Ltd owed Adullam Social Enterprises C.I.C	23	9
Adullam Social Enterprises C.I.C owed Adullam Homes Housing Association Ltd	-	-

26. Legislative provisions

The Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is a Private Registered Provider of Social Housing.