

Co-operative & Community Benefit Society
Registered Number: 20924R

Regulator of Social Housing
Registration Number: L1015

Harrogate Flower Fund Homes Limited

Report and Financial Statements

For the year ended 31 December 2024

Harrogate Flower Fund Homes Limited

Report and Financial Statements For the year ended 31 December 2024

| Contents | Page |
|---|---------|
| Board Members, Registered Office and Advisers | 1 |
| Report of the Board | 2 – 10 |
| Independent Auditor’s Report | 11 – 14 |
| Statement of Comprehensive Income | 15 |
| Statement of Financial Position | 16 |
| Statement of Changes in Reserves | 17 |
| Statement of Cash Flows | 18 |
| Notes to the Financial Statements | 19 – 30 |

Harrogate Flower Fund Homes Limited

Board Members, Registered Office and Advisers For the year ended 31 December 2024

Chair: Mr J Wallace
Mr P Knowles (retired 18 June 2024)

Honorary Treasurer: Mr M Helm

Board Members: Mr J Fordyce
Mrs A Macready
Mr J W Pierce (resigned 5 November 2024)
Mr A E Thorndike (co-opted 6 August 2024)
Mr C Warren
Mr C Whapples (Vice-Chair)

Honorary Secretary: Mr S Brook

Registered Office: 10 High Street
Harrogate
North Yorkshire
HG2 7HY

Registered Number: Co-operative & Community Benefit Society: 20924R
Regulator of Social Housing (RSH): L1015

External Auditor: Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Bankers: CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

Funders: Harrogate Housing Association
10 High Street
Harrogate
North Yorkshire
HG2 7HY

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Accounts

The Board of Harrogate Flower Fund Homes Limited presents its annual report and the audited financial statements for the year ended 31 December 2024.

Objects of the Association, principal activity and organisation of its work

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 20924R), and under the Housing Act 1974 (Registration Number L1015) with exempt charitable status under Schedule 3 of the Charities Act 2011.

Its charitable objects, under rules approved in May 2016, are to carry on for the benefit of the community:

- the business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- any other charitable object that can be carried out from time to time by a society registered as a provider of Social Housing with the Regulator.

Arising from the above the principal activity is the provision of rented accommodation for persons of limited means, at affordable rents. Rents are significantly below market levels at an average of £120.28 per week which is also well below the local housing allowance level for a one bedroomed dwelling of £136.93 per week. The properties owned by the Association have adaptations in place to help people with limited mobility. Wherever possible the Association ensures new residents require or will require in the near future the use of those adaptations.

The Association is organised so that the Board meets regularly to manage its affairs. It does not employ any paid staff but does use a managing agent, for the collection of rents and other management services, which is paid a fee for its work.

Board Members and their interests

The Board Members in office during the year and changes up to the date of issue of these accounts are listed on page 1.

The Board would like to thank Jon Pierce for his insight and input to the Association over the last seven years and hope that his health improves.

Each Board Member holds one fully paid share of £1 in the Association.

Results and financial position

The results for the year are set out in the financial statements on pages 15 to 30.

The Association has experienced another year of strong financial performance with the Statement of Comprehensive Income showing a surplus for the year of £64,669. The reserves at the year-end stood at £1,988,244 in total, of which £109,658 were liquid reserves. The Board are satisfied with the financial performance of the Association and the increased level of liquid reserves being created. This is in line with their agreed strategy.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Activities and achievements

Harrogate Flower Fund Homes Limited has enjoyed another successful year, resulting in the continued provision of a high quality and affordable service from a strong financial base. Information on the Association can be found on its website at www.hffhltd.co.uk.

At the end of the year the Association had in ownership 32 flats and a two-bed house on three sites within the town of Harrogate. Ten flats and the two-bed house are at Steelgarth, 33 High Street, Starbeck, 16 flats are at Greengarth and Masongarth, Markenfield Road, Jennyfields and six flats are at Blythwood on Franklin Mount in the centre of Harrogate. All the dwellings are either one- or two-bedroom units suitable for single persons or couples with the majority of properties having level access showers, with some having access to a stair lift. None of the properties are high rise or have non-fire-resistant cladding.

The Association supports the initiative for everyone in the United Kingdom to be able to live in decent housing and thus helps promote sustainable communities. This is achieved through close monitoring of the condition of properties by the Managing Agent as well as through annual inspections by the Board, by adopting a proactive day to day repairs service and by the continued investment in major repairs. All properties have a valid Landlords' Gas Safety Record as required by legislation and an electrical safety certificate which is less than 5 years old.

During the year the Association has focussed on managing its assets effectively and efficiently with the aim of rebuilding its cash reserves in preparation for future growth. The Board has retained access to the £75,000 loan facility from the Managing Agent. The facility is on an arms length basis at commercial rates. The Board would like to thank the Managing Agent for its financial support, and for successfully managing the Association during the year.

In respect of performance, income collection has remained strong with only £19 of current tenant arrears at the year end and no bad debts in the year. Administration and repair costs overall remained within budget. 86% of day to day repairs were completed within target with 94% customer satisfaction being obtained on call backs to 45% of the jobs. There were no void losses during the year with the two vacancies being let back to back. The Board were regularly updated on repairs performance during the year with the dip in jobs completed on time being due to meeting tenants requests for later appointments but also underperformance of contractors. In response the Managing Agent has employed dedicated repairs management resource and recruited additional contractors. As a result performance has improved.

The Association has continued to invest in its properties with new fire doors being replaced on 12 properties with repairs on a number of others taking place. In addition three new boilers have been installed and a new velux window. The Association also undertook two major roof repairs.

The day to day management of the properties and tenants is undertaken by the Managing Agent, Harrogate Housing Association Limited, from its offices in Harrogate. It also provides administration, governance, company secretarial and accounting services for the Board. It charges a fee per property for the services under a management agreement which runs until 30 September 2026.

The Association received no complaints during the year. A complaint from the previous year was reviewed by the Housing Ombudsman. They did not support the tenants complaint. The Association's Complaint Handling Code self assessment can be found at www.hffhltd.co.uk/information/.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Fixed assets

The changes in fixed assets during the year are set out in notes 11 and 12 of the financial statements.

Political and charitable donations

During the year the Association made no political or charitable donations.

Creditor payment terms

Invoices received by the Association by the 7th calendar day of a month are paid on the last working day of that month where there are no issues with the work undertaken and no other payment terms have been agreed with the supplier.

Funds available

The surplus being generated is adequate to support the running of the 33 existing homes and build cash reserves for investment in additional properties in the future.

Tenant engagement

It is important the views of tenants are considered when taking decisions and that high levels of tenant satisfaction are achieved. The Board has regular contact with tenants through meetings in the summer and at Christmas to which all tenants are invited. In addition a representative from the Managing Agent and a Board member visit tenants in September each year to inspect the condition of the properties and to identify what planned maintenance works are required. By adopting this approach the Board obtain, first hand, the views of tenants on the services they receive and the works that are required. All the landlord related matters arising from these interactions have been actioned.

The Association undertook a tenant satisfaction survey during 2023 to more formally obtain statistics on satisfaction and collect the tenant satisfaction measures (TSM's) required by the Regulator. 64% of tenants returned the survey with an overall satisfaction level of 95% being obtained. This makes the Association a top quartile performer. The Board are also pleased to report that it was a top quartile performer across all the TSM's. The next satisfaction survey will be undertaken during 2025.

Future developments and opportunities

The Board has re-affirmed its objective to rebuild its cash reserves before new acquisitions were actively sourced. The Board agreed this would be the position for a number of years.

Rebuilding cash reserves, though, would not be undertaken at the expense of investing in current properties when required. This investment over the next few years will include replacement of the roof at Blythswood and the replacement of a number of bathrooms, kitchens and boilers. The latter will be undertaken when a boiler fails as there is no price advantage to be obtained from undertaking replacement en mass. The Board will also explore the use of alternative heating solutions where appropriate.

The Board has updated its five year business plan. The plan shows the Association's income generation remains strong which will enable it to deliver on the strategy noted above. The need for the loan facility from the Managing Agent will be reviewed once the Blythswood roof has been replaced.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Value for money

The Association's definition of value for money is simple; it aims to deliver its objectives in the most cost effective way possible but ensuring it always provides quality homes and services which help its tenants remain independent.

The Board determined a number of years ago that the best value approach to managing and maintaining the properties, dealing with administrative tasks and the regulatory matters required for a registered provider was through the appointment of a managing agent. This was instead of direct employment of staff or the use of volunteers. By adopting this approach the range of skills, knowledge and IT systems at the disposal of the Association was significantly increased. Harrogate Housing Association Limited, a local registered provider itself, was appointed into this role. It provides a local office base, manages the repairs service, collects and administers rents and deals with all day to day tenant contact. It also provides administrative, accountancy/financial support and Company Secretarial services to the Association and Board.

As one of the main costs incurred by the Association the fee charged by the Managing Agent is reviewed regularly. The last review was undertaken in April 2023. The fee is based on the non-property related costs incurred by the Managing Agent spread over the number of properties they manage which is considered a fair and equitable approach by the Board. The April 2023 review resulted in a significant increase in the cost of the service as the underlying costs of the Managing Agent had increased. Using an open book approach evidence was provided that the Managing Agent was not covering its costs of delivering the service. This was supported by the Board who agreed to the increase to £1,400 per unit per year. A CPI inflationary increase was applied in 2024. A further inflationary increase is due in 2025. The underlying costs and the fee will be reviewed again in September 2026. This approach provides some cost protection for the Association as it has no control over the cost base of the Managing Agent. It is hoped that growth of the Managing Agent before the next review will prevent further significant increases. Tenant satisfaction with the service received from Harrogate Housing Association Limited remains high.

Using a managing agent has enabled the Association to "piggy back" with Harrogate Housing Association Limited to secure a cost effective repairs service which would not be available to it on its own. For example, both organisations use the same 24 hour emergency gas service and repairs company and the Association pays the same rates as Harrogate Housing Association Limited which has many more properties. The Association is also able to utilise the Harrogate Housing Association Limited 24 hour on call service and its approved contractors list for repairs. This list includes local trades people who do not charge VAT which results in savings as the VAT is an expense and not recoverable. By operating this way the Association is able to secure better rates than would be possible by working in isolation.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

The metrics required under the value for money standard are as follows:-

| VFM Standard metrics | 2025 target | 2024 target | 2024 | 2023 | 2022 | Sector median* |
|---|-------------|-------------|-------------|-------------|--------|----------------|
| 1 Reinvestment percentage | 2.6% | 0.8% | 0.9% | 0.2% | 8.4% | 3.5% |
| 2a New supply delivered – social | 0% | 0% | 0% | 0% | 0% | 0.3% |
| 2b New supply delivered – non social | 0% | 0% | 0% | 0% | 0% | 0% |
| 3 Gearing | No net debt | No net debt | No net debt | No net debt | 1.7% | 34.4% |
| 4 EBITDA MRI interest cover | 1,936% | 3,022% | 6,561% | 2,228% | 2,144% | 146% |
| 5 Social housing costs per unit | £4,913 | £4,198 | £4,130 | £3,561 | £2,811 | £4,849 |
| 6 Operating margin social housing overall | 20.1% | 9.3% | 29.4% | 27.5% | 32.2% | 21.2% |
| | 20.1% | 9.3% | 29.4% | 27.8% | 34.0% | 20.2% |
| 7 Return on capital employed | 2.0% | 0.9% | 2.9% | 2.7% | 2.8% | 2.4% |

* Traditional registered providers with between 1,000 and 2,500 units where less than 10% of income is from supported housing and less than 10% of properties are of seven stories or higher as per the Regulator of Social Housing's 2024 Global Accounts VFM metrics

In addition to the above the Board monitors arrears, void loss and turnaround times and repairs performance. Tenant satisfaction is gauged through the regular contact between Board members and tenants noted above and remains high. There were negligible rent arrears at the year end with the majority of tenants being in credit on their rent accounts (see notes 13 and 15). There was no void loss with every effort made to turnaround a void property very quickly. In the year 86% of repairs were completed on time with an average repair time of 13.2 days. There were also no bad debts in the year.

The size of the Association, at only 33 units, makes comparison against others difficult especially as the Regulator does not capture or publish any information on Associations with less than 1,000 properties. Very few associations the size of the Association subscribe to benchmarking clubs as the costs outweigh the benefits and are not therefore considered value for money. Given the information available through the Managing Agent the Association is performing in the top quartile in relation to arrears and voids. The table above includes some comparator information extracted from the published global accounts of the sector. In comparison to these measures the Association is performing well for its size.

It should be noted the number of properties managed means that some of the above metrics can change significantly year on year depending on the level of major works (e.g. bathroom or kitchen replacements) undertaken or the incidence of cyclical works (e.g. 5 year electric inspection certificates).

The 2024 metric actuals reflect the strategy adopted by the Board of using its surplus to build cash reserves in preparation for future growth. The re-investment percentage was impacted positively by the fire door replacements which were able to be capitalised (a repair was originally envisaged) and adversely by the Board's adopted policy of replacing central heating boilers when they failed rather than due to age which enabled them to concentrate on the above strategy. Metric 4 and 6 were also impacted by the strategy as well as a prudent budget.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Metric 5 in the year was impacted by the five year periodic wiring inspections on 20 properties. The 2025 target reflects that there are no inspections due but a roof replacement at £35,000 has been budgeted.

The Board monitor spend on a quarterly basis with variances from budget scrutinised and action taken where necessary to manage costs and deliver an excellent service to tenants.

The Association prides itself on meeting the needs of its tenants wherever possible. This includes installing accessible adaptations even where no funding is available. This increases the repairs costs but reflects the purpose of the Association. By adopting this approach tenancies are sustained and low levels of voids occur. Under this approach the modernisation of Blythwood included the installation of level access showers instead of baths.

Systems are in operation by the Managing Agent to ensure quotes are obtained for any major work undertaken which delivers cost competitiveness.

As noted above the Association now has three principal sites, Markenfield Road, Steelgarth and Blythwood, all of which are in Harrogate. The properties are all well maintained, are easy to let (as evidenced by the low void loss), require no major works (as identified on the annual inspections) and are in good neighbourhoods. The Board has not identified any individual property or group of properties which are not contributing to the surplus being generated by the Association. Therefore it is the aim of the Association to retain its existing assets.

During 2024 the Board reviewed its strategic direction and considered if a different approach to delivering its purpose should be put in place. The Board confirmed there would be no changes in how the Association operates.

Governance arrangements

The Association has a Board which currently has seven members. The rules allow for the membership to be increased up to 15 or to be as low as seven. The Board met four times during the year and all meetings were quorate. The Board is responsible for setting the strategic direction of the Association and managing its day to day activities. The Board has delegated the latter to the Managing Agent, from which it receives regular reports on financial and operational performance.

Peter Knowles stepped down, as planned, as Chair at the annual general meeting in June 2024. His successor, John Wallace, had already been identified and was appointed to Chair following the meeting.

The Board, given the size of the Association and the current mix of skills and experience, considers the current membership level to be sufficient to meet its needs but is conscious that at the minimum level it is exposed to unplanned changes. As a consequence it is looking to appoint additional members if suitable candidates are identified.

The Association has adopted the NHF's Code of Governance – Promoting Board Excellence for Housing Associations 2015. The Association remains compliant with that Code. The Board have confirmed they will not adopt the new 2020 code for the time being. The Association though has adopted the NHF Code of Conduct 2022.

The Board has reviewed the requirements of the Social Housing Regulation Act 2023 and with the help and support of the Managing Agent is delivering against the new standards it generated.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Board Member responsibilities

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and of the income and expenditure for the period of account.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to Auditors

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

Statement on the Association's system of internal control

The Board acknowledges its overall responsibility, for establishing and maintaining the whole system of internal control and for reviewing annually its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk, and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

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

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

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

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal ongoing process of management review in each area of the Association's activities. The results continue to be reviewed by the Board on a regular basis. The Chief Executive of the Managing Agent is responsible for reporting significant risks or any changes in significant risks facing the Association to the Board within its reports.

Following the completion of the acquisition and works at Blythswood the main risks identified by the Board, together with the risk management plans, are:-

- Not achieving EPC C for all properties by 2030 – only the six properties at Blythswood have not already achieved this level. The planned roof replacement will improve the EPC ratings and new heating is also planned to be installed. Combined these will ensure that EPC C is reached by the deadline date.
- Health and safety requirements of the Social Housing Regulation Act 2023 act not met – fire safety works completed and damp and mould reports actioned within 5 days. Still awaiting details on Awaab's Law and Decent Homes 2 standard before able to determine compliance.
- The reliance on the Managing Agent and the associated counter party risk – review mechanisms have been put in place to alert the Board to any financial concerns which may arise for the Managing Agent. These review mechanisms will also identify if the Managing Agent is undertaking any merger activity which may result in the withdrawal of the services provided. A minimum six month notice period to cease services is included in the agreement with the Managing Agent.
- Board member replenishment – the Association has the minimum number of Board members required under its rules. Work will be undertaken during the year to identify additional Board members. In an emergency the Board members of the Managing Agent would be available to be appointed to the Board.

Monitoring and corrective action

The Board is responsible for ensuring the process of control through self-assessment is effective and that management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes a rigorous procedure for ensuring that effective monitoring is in place and that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance issues including treasury strategy and new investment projects. Policies and procedures cover such issues as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Harrogate Flower Fund Homes Limited

Report of the Board

For the year ended 31 December 2024

Information and financial reporting systems

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

Auditors

In accordance with the Co-operative and Community Benefit Societies Act 2014 a resolution to re-appoint Beever and Struthers as the Association's Auditor, will be proposed at the Annual General Meeting.

Governance and Financial Viability

The Board confirms that the Association complies with the Regulator of Social Housing's Governance and Financial Viability Standard.

Approved by the Board on 13 May 2025

Mr J Wallace
Chair

Harrogate Flower Fund Homes Limited

Independent Auditor's Report to the members of Harrogate Flower Fund Homes Limited

Opinion

We have audited the financial statements of Harrogate Flower Fund Homes Limited (the 'Association') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, 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 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.

Harrogate Flower Fund Homes Limited

Independent Auditor's Report to the members of Harrogate Flower Fund Homes Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with 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 Board Member 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has 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.

Harrogate Flower Fund Homes Limited

Independent Auditor's Report to the members of Harrogate Flower Fund Homes Limited

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the NHF Code of Governance 2015, the Regulatory Standards, 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 2022, tax legislation and health and safety 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 the 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 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 provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and 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.

Harrogate Flower Fund Homes Limited

Independent Auditor's Report to the members of Harrogate Flower Fund Homes Limited

Use of our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 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

Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 28 May 2025

Harrogate Flower Fund Homes Limited

Statement of Comprehensive Income For the year ended 31 December 2024

| | Notes | 2024 £ | 2023 £ |
|--|-------|-----------|-----------|
| Turnover | 3 | 217,401 | 206,279 |
| Operating expenditure | 3 | (153,477) | (148,959) |
| Operating surplus | | 63,924 | 57,320 |
| Interest receivable | 5 | 1,949 | 547 |
| Interest and financing costs | 6 | (1,204) | (3,820) |
| Surplus before taxation | | 64,669 | 54,047 |
| Taxation | 9 | - | - |
| Surplus for the year | 7 | 64,669 | 54,047 |
| Total comprehensive income for the year | | 64,669 | 54,047 |

All of the above results derive from the continuing operations of the Association.

The notes on pages 19 to 30 form an integral part of these financial statements.

The financial statements on pages 15 to 30 were approved and authorised for issue by the Board on 13 May 2025 and were signed on its behalf by:-

Mr J Wallace..... Chair

Mr S Brook..... Secretary

Mr M Helm..... Treasurer

Harrogate Flower Fund Homes Limited

Statement of Financial Position As at 31 December 2024

| | Notes | 2024 | 2023 |
|--|-------|------------------|------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible fixed assets – housing properties | 11 | 2,106,556 | 2,123,729 |
| Other tangible fixed assets | 12 | 1,272 | 1,431 |
| | | <u>2,107,828</u> | <u>2,125,160</u> |
| Current assets | | | |
| Trade and other debtors | 13 | 11,129 | 13,120 |
| Cash and cash equivalents | 14 | <u>129,957</u> | <u>40,431</u> |
| | | 141,086 | 53,551 |
| <u>Less:</u> | | | |
| Creditors: amounts falling due within one year | 15 | <u>(31,428)</u> | <u>(21,690)</u> |
| Net current assets | | <u>109,658</u> | <u>31,861</u> |
| Total assets less current liabilities | | <u>2,217,486</u> | <u>2,157,021</u> |
| Creditors: amounts falling due after more than one year | 16 | <u>(229,242)</u> | <u>(233,447)</u> |
| Total net assets | | <u>1,988,244</u> | <u>1,923,574</u> |
| Reserves | | | |
| Non-equity share capital | 18 | 23 | 23 |
| Income and expenditure reserve | | <u>1,988,221</u> | <u>1,923,551</u> |
| Total reserves | | <u>1,988,244</u> | <u>1,923,574</u> |

The notes on pages 19 to 30 form an integral part of these financial statements.

The financial statements on pages 15 to 30 were approved and authorised for issue by the Board on 13 May 2025 and were signed on its behalf by:-

Mr J Wallace..... Chair

Mr S Brook..... Secretary

Mr M Helm..... Treasurer

Harrogate Flower Fund Homes Limited

Statement of Changes in Reserves For the year ended 31 December 2024

| | Non-equity share capital £ | Income and Expenditure Reserve £ | Total £ |
|---|----------------------------------|---|------------------|
| Balance at 1 January 2023 | 25 | 1,869,501 | 1,869,526 |
| Total comprehensive income for the year | - | 54,047 | 54,047 |
| Shares issued during the year | 1 | - | 1 |
| Member share contributions | (3) | 3 | - |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2023 | 23 | 1,923,551 | 1,923,574 |
| Total comprehensive income for the year | - | 64,669 | 64,669 |
| Shares issued during the year | 1 | - | 1 |
| Member share contributions | (1) | 1 | - |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2024 | 23 | 1,988,221 | 1,988,244 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 19 to 30 form an integral part of these financial statements.

Harrogate Flower Fund Homes Limited

Statement of Cash Flows

For the year ended 31 December 2024

| | 2024 | | 2023 | |
|--|----------|----------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| Net cash generated from operating activities (see Note 1 below) | | 107,009 | | 86,868 |
| Cash flow from investing activities | | | | |
| Purchase of tangible fixed assets | (18,493) | | (7,276) | |
| Interest received | 1,949 | | 547 | |
| Members contribution | <u>1</u> | | <u>1</u> | |
| | | (16,543) | | (6,728) |
| Cash flow from financing activities | | | | |
| Interest and financing costs | (940) | | (3,556) | |
| Loan repayment | <u>-</u> | | <u>(85,000)</u> | |
| | | <u>(940)</u> | | <u>(88,556)</u> |
| Net change in cash and cash equivalents | | 89,526 | | (8,416) |
| Cash and cash equivalents at beginning of the year | | <u>40,431</u> | | <u>48,847</u> |
| Cash and cash equivalents at end of the year | | <u>129,957</u> | | <u>40,431</u> |
| Note 1 | | | | |
| Surplus for the year | | 64,669 | | 54,047 |
| Adjustments for non-cash items: | | | | |
| Depreciation of tangible fixed assets | | 35,825 | | 36,603 |
| Amortisation of government grants | | (4,205) | | (4,202) |
| Decrease/(increase) in trade and other debtors | | 1,727 | | (2,970) |
| Increase in trade and other creditors | | 9,738 | | 117 |
| Adjustments for investing or financing activities: | | | | |
| Interest and financing costs | | 1,204 | | 3,820 |
| Interest received | | <u>(1,949)</u> | | <u>(547)</u> |
| Net cash generated from operating activities | | <u>107,009</u> | | <u>86,868</u> |

The notes on pages 19 to 30 form an integral part of these financial statements.

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1. General information

The Association 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 10 High Street, Harrogate, North Yorkshire, HG2 7HY.

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting and are presented in pounds sterling.

The financial statements have been prepared in compliance with FRS 102. In complying with FRS 102 the Association meets the definition of a public benefit entity.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis based on the Association's business plan.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. Categorisation of housing properties

The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered whether the asset is held for social benefit or to earn commercial rentals.

b. Impairment

The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

2. Principal accounting policies (continued)

c. Impairment of non-financial 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. The Association has assessed that no trigger for an impairment review has occurred.

Other key sources of estimation and assumptions:

a. 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 and amortised capital grant 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.

Service charges

Service charge income and costs are recognised on an accruals basis.

Taxation

The Association has charitable status and is therefore exempt from UK corporation tax on charitable activities.

Tangible fixed assets and depreciation

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

Freehold land is not depreciated.

Fixed asset additions under £500 are not capitalised.

Housing properties

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.

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements

For the year ended 31 December 2024

2. Principal accounting policies (continued)

The Association 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:

| | |
|--|----------|
| Structure | 80 years |
| Roofs | 70 years |
| Windows and doors | 30 years |
| Gas boilers and fires | 15 years |
| Electric heating | 20 years |
| Kitchens | 20 years |
| Bathrooms, mechanical systems, electrics | 30 years |
| Stair lifts | 10 years |
| Envirovents, Eurovents and loft heaters | 10 years |

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

| | |
|----------------------------|---------|
| Office and other equipment | 5 years |
|----------------------------|---------|

Property managed by agents

Where the Association 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.

The assets and associated liabilities are included in the Association's Statement of Financial Position.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

2. Principal accounting policies (continued)

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 (not land), under the accruals model. Social Housing Grant received for items of cost written off in the statement of comprehensive income is included as part of turnover.

When Social Housing Grant 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 Grant must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the Social Housing Grant can be used for projects approved by Homes England. However, Social Housing Grant 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, Social Housing Grant may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Financial Instruments

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

3. Particulars of turnover, operating expenditure and operating surplus

| | | 2024 | |
|---|-----------------|--------------------|------------------|
| | Turnover | Operating | Operating |
| | £ | Expenditure | Surplus |
| | | £ | £ |
| Social housing lettings (see note 4) | 217,401 | (153,477) | 63,924 |
| | | | |
| Total | 217,401 | (153,477) | 63,924 |
| | | | |
| | | 2023 | |
| | Turnover | Operating | Operating |
| | £ | Expenditure | Surplus |
| | | £ | £ |
| Social housing lettings (see note 4) | 205,584 | (148,959) | 56,625 |
| | | | |
| Non-social housing activities | | | |
| Donations | 695 | - | 695 |
| | | | |
| Total | 206,279 | (148,959) | 57,320 |
| | | | |

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4. Particulars of turnover and operating expenditure from social housing lettings

| | General needs housing £ | Total 2024 £ | Total 2023 £ |
|---|-------------------------------|-----------------|--------------------|
| Income | | | |
| Rent receivable net of identifiable service charges and net of voids | 197,828 | 197,828 | 184,321 |
| Service charge income | 15,368 | 15,368 | 17,061 |
| Amortised government grants | 4,205 | 4,205 | 4,202 |
| Total turnover from social housing lettings | 217,401 | 217,401 | 205,584 |
| Operating expenditure | | | |
| Management | 68,702 | 68,702 | 64,067 |
| Service charge costs | 13,597 | 13,597 | 15,024 |
| Routine maintenance | 17,363 | 17,363 | 21,946 |
| Planned maintenance | 9,415 | 9,415 | 2,160 |
| Major repairs expenditure | 8,734 | 8,734 | 9,318 |
| Bad debts | - | - | - |
| Depreciation of housing properties | 35,666 | 35,666 | 36,444 |
| Total operating expenditure on social housing lettings | 153,477 | 153,477 | 148,959 |
| Operating surplus on social housing lettings | 63,924 | 63,924 | 56,625 |
| Voids losses (being rental and service charge income lost as a result of property not being let, although it is available for letting) | - | - | 212 |

| | | |
|-------------------------------|-------------|-------------|
| 5. Interest receivable | 2024 | 2023 |
| | £ | £ |
| Bank interest received | 1,949 | 547 |

| | | |
|--|--------------|--------------|
| 6. Interest and financing costs | 2024 | 2023 |
| | £ | £ |
| Loan interest | 940 | 3,556 |
| Costs associated with financing (amortised set up costs) | 264 | 264 |
| | 1,204 | 3,820 |

The loan interest above represents the interest and non-utilisation cost on the £75,000 loan facility from Harrogate Housing Association. There were no drawdowns on the loan during the year. The loan is a variable rate, full revolving facility on an arms length basis on normal commercial terms.

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements

For the year ended 31 December 2024

| 7. | Surplus for the year | 2024 £ | 2023 £ |
|----|---|--|---------------------------------|
| | Is stated after charging/(crediting): | | |
| | Auditor's remuneration (excluding VAT): | | |
| | In their capacity as auditors | 6,400 | 4,990 |
| | In respect of other services | 350 | 345 |
| | Depreciation of housing properties | 35,666 | 36,444 |
| | Depreciation of other fixed assets | 159 | 159 |
| | Amortisation of government grants | (4,205) | (4,202) |
| | | | |
| 8. | Accommodation managed by others | Under management at the end of year 2024 Number of properties | 2023 Number of properties |
| | General needs housing – social rent | 27 | 27 |
| | General needs housing – intermediate rent | 6 | 6 |
| | | | |
| | | 33 | 33 |
| | | | |

All properties are owned by the Association but managed by other bodies.

9. Taxation

The Association has charitable status and is therefore exempt from UK corporation tax on charitable activities.

10. Employees and Key Management Personnel

The Association has no employees (2023 – None). Key management personnel are defined as the Members of the Board. The day to day management of the properties is undertaken by Harrogate Housing Association Limited from their offices in Harrogate.

No Board member received any remuneration in the year (2023 – £Nil).

One Board member received re-imbursed expenses in the year of £2,482 in relation to materials for a specialist repair which he sourced (2023 – £Nil).

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

| 11. Tangible fixed assets – housing properties | Social housing | Housing properties total |
|--|----------------|--------------------------|
| | £ | £ |
| Cost | | |
| At 1 January 2024 | 2,621,014 | 2,621,014 |
| Replacement of components | 18,493 | 18,493 |
| Disposal of components | (4,040) | (4,040) |
| | <hr/> | <hr/> |
| At 31 December 2024 | 2,635,467 | 2,635,467 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 January 2024 | 497,285 | 497,285 |
| Charge for the year | 35,666 | 35,666 |
| Eliminated on disposals | (4,040) | (4,040) |
| | <hr/> | <hr/> |
| At 31 December 2024 | 528,911 | 528,911 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 December 2024 | 2,106,556 | 2,106,556 |
| | <hr/> | <hr/> |
| At 31 December 2023 | 2,123,729 | 2,123,729 |
| | <hr/> | <hr/> |
| Housing properties comprise: | | |
| Freeholds | | 2,106,556 |
| Long leasehold | | - |
| | | <hr/> |
| | | 2,106,556 |
| | | <hr/> |

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

12. Other tangible fixed assets

| | Equipment | Other fixed assets total |
|-----------------------|------------------|---------------------------------|
| Cost | £ | £ |
| At 1 January 2024 | 1,590 | 1,590 |
| Additions | - | - |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 December 2024 | 1,590 | 1,590 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 January 2024 | 159 | 159 |
| Charge for the year | 159 | 159 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 December 2024 | 318 | 318 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 December 2024 | 1,272 | 1,272 |
| | <hr/> | <hr/> |
| At 31 December 2023 | 1,431 | 1,431 |
| | <hr/> | <hr/> |

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

| | | |
|--|-----------------------|-----------------------|
| 13. Trade and other debtors | 2024 | 2023 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Rental debtors | 19 | 257 |
| Prepayments and accrued income | 6,164 | 6,163 |
| Other debtors | 4,946 | 6,700 |
| | <u>11,129</u> | <u>13,120</u> |
| | <u><u>11,129</u></u> | <u><u>13,120</u></u> |
| 14. Cash and cash equivalents | 2024 | 2023 |
| | £ | £ |
| Cash at bank | 129,957 | 40,431 |
| | <u>129,957</u> | <u>40,431</u> |
| | <u><u>129,957</u></u> | <u><u>40,431</u></u> |
| 15. Creditors: amounts falling due within one year | 2024 | 2023 |
| | £ | £ |
| Trade creditors | 1,338 | 3,853 |
| Rents and service charges paid in advance | 7,540 | 5,353 |
| Accruals and deferred income | 16,537 | 6,975 |
| Other creditors | 1,808 | 1,304 |
| Unamortised government grants (Note 17) | 4,205 | 4,205 |
| | <u>31,428</u> | <u>21,690</u> |
| | <u><u>31,428</u></u> | <u><u>21,690</u></u> |
| 16. Creditors: amounts falling due after more than one year | 2024 | 2023 |
| | £ | £ |
| Unamortised government grants (Note 17) | <u>229,242</u> | <u>233,447</u> |
| | <u><u>229,242</u></u> | <u><u>233,447</u></u> |
| Total | <u><u>229,242</u></u> | <u><u>233,447</u></u> |

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements For the year ended 31 December 2024

17. Deferred income

The amount of unamortised government grants at the year-end relate to social housing grant which is amortised in accordance with the stated accounting policy.

| | 2024 £ | 2023 £ |
|-------------------------------------|----------------|----------------|
| Unamortised government grant | | |
| At start of year | 237,652 | 241,854 |
| Released to income in the year | (4,205) | (4,202) |
| | <u>233,447</u> | <u>237,652</u> |
| Amounts due to be released < 1 year | 4,205 | 4,205 |
| Amounts due to be released > 1 year | <u>229,242</u> | <u>233,447</u> |
| | <u>233,447</u> | <u>237,652</u> |

18. Non-equity share capital

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Allotted, issued and fully paid: | | |
| At 1 January | 23 | 25 |
| Issued during the year | 1 | 1 |
| Surrendered during the year | (1) | (3) |
| At 31 December | <u>23</u> | <u>23</u> |

The par 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.

19. Capital commitments

At the balance sheet date there were no contracted capital commitments (2023 – £Nil). There were also no other capital commitments (2023 - £Nil).

20. Contingent liabilities

At the balance sheet date there were no contingent liabilities (2023 – £Nil).

Harrogate Flower Fund Homes Limited

Notes to the Financial Statements

For the year ended 31 December 2024

| 21. Grant and financial assistance | 2024 £ | 2023 £ |
|---|-----------|-----------|
| The total accumulated government grant and financial assistance received or receivable at 31 December | 336,380 | 336,380 |
| Held as deferred capital grant | 233,447 | 237,652 |
| Recognised as income in the Statement of Comprehensive Income | 102,933 | 98,728 |
| | 336,380 | 336,380 |

22. Related party transactions

Related parties consist of the Board members and Harrogate Housing Association Limited, the Managing Agent.

One Board member received expenses in the year of £2,482 (2023 – £Nil). The expenses re-imbursed were in relation to materials for a specialist repair which he sourced. There were no tenant board members in 2024 (2023 – None).

During the year the Association purchased services from Harrogate Housing Association Limited totalling £51,703 (2023 – £49,445). The non utilisation fee of £940 (2023 – £1,317) and interest of £Nil (2023 – £2,239) on the loan facility provided by Harrogate Housing Association is included.

At the balance sheet date £Nil (2023 – £Nil) was owed to Harrogate Housing Association Limited. None of the fee (2023 – None) and none of the interest (2023 – None) was owed by the Association at the year end.

The loan facility was £75,000 throughout the year. It has been made on an arms length basis on normal commercial terms.

23. Analysis of changes in net debt

| | At 1 January 2024 | Cash flows | Other non- cash changes | At 31 December 2024 |
|--------------|-------------------------|------------|----------------------------|---------------------------|
| Cash at bank | 40,431 | 89,526 | - | 129,957 |
| | 40,431 | 89,526 | - | 129,957 |