



**CHISEL LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REGULATOR FOR SOCIAL HOUSING REGISTRATION NUMBER: L3642

**CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014
REGISTRATION NUMBER: 25155R**

**CHISEL LIMITED
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FOR THE YEAR ENDED 31 MARCH 2024**

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CHISEL LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024

BOARD

Louise Owen	Chair - Resident Member
Carmen White	Company Secretary (resigned October 2023)
Miles Lanham	Company Secretary (appointed October 2023)
Jo Van-Der Meer	Resident Member (resigned April 2024)
Iris Garrelfs	Resident Member
Michaela Clare	Independent Member
Kerry Collins	Independent Member
Scott Hyde	Independent Member
Melisa Chester	Independent Member
Octavia Williams	Independent Member

EXECUTIVE TEAM

Carmen White	Company Secretary (resigned October 2023)
Miles Lanham	Company Secretary (appointed October 2023)

STATUS

The organisation is a Registered Society, registered under the Co-operative and Community Benefit Societies Act 2014

Registered Office
188a Brockley Road
London
SE4 2RL

Auditors
Beever and Struthers
150 Minorities
London
EC3N 1LS

Bankers	
National Westminster Bank Plc	Unity Trust Bank Plc
PO Box 414	Nine Brindley place
38 Strand	Birmingham
London	B1 2HB
WC2H 5JB	

Principal Lenders	
Orchardbrook Limited	Unity Trust Bank Plc
Capita Mortgage Services Limited	Nine Brindley place
Crown House	Birmingham
Crown Street	B1 2HB
Ipswich	
Suffolk	
IP1 3HS	

Registered with the Regulator for Social Housing - No. L3642

Registered under the Co-operative and Community Benefit Societies Act 2014 – No. 25155R

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

The Board present their Annual Report and the audited financial statements of CHISEL Limited for the year ended 31 March 2024.

Principal activity

CHISEL is a registered provider of social rented housing; CHISEL's principal activities are to provide housing services for people in housing need.

Financial Review

Chisel has had a financially successful year with a surplus for the year to 31 March 2024 of £25,109 compared with a surplus of £186,534 in 2023. The Association's net current assets decreased from £1,127,622 in 2023 to £357,072 in 2024 as shown in the statement of financial position on page 14.

The results for the year are shown in the statement of comprehensive income on page 13. The position at the end of the year is shown in the statement of financial position on page 14.

In 2024, in addition to Statement of Comprehensive Income expenditure on repairs, £359,481 (2023: £43,116) was re-invested on component replacements to existing properties.

No change in arrangements during the year. Each member, including the Board members, holds one fully paid £1 share in the Association. There are no directors' share options nor has there been any acquisition of the company's own shares. The Association does not issue shares other than the nominal non-refundable £1 shares.

The Association has made no political or charitable gifts during the year. The Association employs less than 250 staff members. Creditors are paid within 30 days unless there is a dispute.

The CHISEL way

CHISEL was pleased to welcome a new CEO and team in 2023-24. Having met as many residents as possible, they devised new strategic outcomes and mission for the organisation to work towards. These were shared with the Board, and the CEO tasked to demonstrate progress via the Remunerations and Nominations Committee.

Vision

A growing modern organisation, providing a home that every resident is proud of.

Mission

To provide good quality neighbourhood housing, where residents take an active role in decision making.

Strategic Outcome Aims

- Residents are both front and centre of decision making.
- In our day-to-day work, celebrate, have pride in, and learn from our history.
- To have simple and transparent processes, be financially stable and fully compliant.
- To have engaged partnerships with local stakeholders and be responsive to housing need.
- To support a new generation of self-builders.

We'll achieve this by

- Focussing and understanding what really matters to residents.
- Treating everybody as we would like to be treated.
- Valuing people as individuals with different needs.
- Being well-governed, accountable, independent and financially strong.
- Working collaboratively.
- Striving constantly towards a better service.

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE BOARD (CONTINUED)

Our Values

Inclusive, data-led, professional, empathetic, communicative and collaborative.

Achieving our objectives

CHISEL will undertake medium- and long-term financial planning once it has robust data sets for the following areas:

- Stock Condition Survey
- In-depth survey of the Tenant Satisfaction Measures
- Full and up to date stock valuation

In the meantime, there have been foundations laid with the following workstreams:

- Seeking business partnerships with local charities, voluntary groups and other housing providers to increase impact in the areas that we work, with a focus on homelessness
- Addressing backlog of repairs, and proactively asking all residents regarding damp and mould and tackling these cases, prioritising capital expenditure to address these works.
- Living our equality, diversity and inclusion values by creating supported housing for young LGBT people at risk of homelessness in Brighton. Signing up to the HouseProud LGBTQ+ Pledge for social housing
- To punch above our weight in the social housing sector, and become an acknowledged leader in our areas of speciality, like self-built homes, co-operation and our local neighbourhoods and areas
- A re-focussed Resident Engagement Strategy so that residents can give as little or as much time as they can spare, with plans to involve them in recruitment and tendering of services.
- To re-shape our relationship with the remaining founder co-operatives and support an up-to-date and compliant version of this housing management model
- An approach to Value for Money (VRM) that enables us to be an effective social business, achieving the desired outcomes set out in our vision and values for the best possible cost and maximum benefit to our tenants
- CHISEL champions diverse groups in society and aims to go beyond the limits of statutory requirements to be inclusive, specifically (but by no means limited) to being an anti-racist organisation, to demonstrate understanding and take action to deliver gender equality, to be inclusive of all strands of the LGBTQ+ communities, become disability aware, be inclusive of the neuro diverse, and ensure that all ages, ethnicities and nationalities of people feel at home in our homes and our organisation.

Employees

CHISEL's colleague structure has been completely revised and all 'back office' functions are now carried out by external specialists, allowing more investment in resident-facing colleagues. This includes for the first time, a Housing Officer role (Neighbourhood Manager) for CHISEL's Brighton homes. The other new roles are

- Head of Operations
- Head of Property Services (qualified surveyor)
- Neighbourhood Manager (based in London)
- Repairs Officer

These colleagues work a mixture of part and full-time hours.

We offer competitive salaries and are proud to have adopted positive policies around Menstruation and Menopause

Pension Provision

The association provides and contributes to a defined contribution pension scheme for all staff through the Social Housing Pension scheme (SHPS).

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE BOARD (CONTINUED)

Health, safety and welfare of tenants and employees

The Board recognises the importance of effective health, safety and welfare for its tenants and employees at work. Appropriate policies are in place for the protection and welfare for CHISEL colleagues.

The 'big five' main areas of compliance for our properties (Fire, Electric, Gas, Legionella and Asbestos) are a priority for CHISEL and are reported to Finance, Risk, Audit, and Compliance Committee. We are advised by a specialist consultant for this work with regular review.

Corporate Governance and Internal Controls

The Board is responsible for the association's system of internal control and reviewing its effectiveness. The system is designed to provide reasonable assurance against material misstatement or loss, but it cannot provide absolute assurance or eliminate all risk of failure to achieve business objectives. The Board ensures that the process for identifying, evaluating and managing the risks faced by CHISEL is ongoing. These are regularly reviewed by the Board.

The Board discharges its responsibilities for internal control through the following key procedures:

- The Board has established policies, procedures and standing orders which are regularly reviewed.
- The Board approves CHISEL's business plan and annual budget and monitors the association's financial results against budget by receiving and examining quarterly financial reports.
- Cash flow forecasts are presented to the Board showing CHISEL's projected cash movements for the coming year.
- Budgetary control is managed by the Chief Executive, who receives regular monthly management accounts. CHISEL has in place an organisational structure set out in CHISEL's Financial Standing Orders with formally defined lines of responsibility. Day to day budgetary control is operated by individual staff and the Chief Executive as defined in CHISEL's Financial Standing Orders which includes delegated authorities. Budgetary control is maintained by the senior management team with regular scrutiny by the Audit and Risk Committee. Monthly performance data is made available to the full Board.
- Procedures are in place to identify and manage business risks and the Board regularly reviews the risk map.
- Capital investment decisions are made by means of appraisal and approved by Board.
- The Board reviews the effectiveness of CHISEL's system of internal control through the receipt and discussion of regular reports from the Chief Executive and reviews from external providers.

Compliance with the Governance and Financial Viability Standard and the NHF Code of Governance (2020).

CHISEL is committed to compliance with the NHF Code of Governance and the Governance and Financial Viability Standard set by the Regulator of Social Housing in England & Wales (formerly the Homes and Communities Agency). In particular the following controls and activities are in place:

- A Board succession plan, we have actively recruited new Board members,
- Board appraisal framework and annual skills audit,
- Will review our financial business plan and organisation with the help of a leading sector consultancy,
- The Board receives quarterly reports regarding CHISEL's compliance with funders covenants
- Updated our asset liability register, including data from the self- build stock condition survey undertaken in summer of 2017.
- CHISEL is committed to accountability and endorses the principle of openness and accountability through its tenant engagement policy to its tenants and members through its shareholder policy. We have a range of involvement opportunities on offer to our tenants including joining the Board. The CEO writes a monthly newsletter to all residents
- The Board confirms that the Association has met Regulator of Social Housing's regulatory expectations in the governance and financial viability standard.
- It has reviewed the board member information pack given to new board members as part of their induction. All Board members including new Board members have met and been briefed with staff.

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE BOARD (CONTINUED)

Public Benefit Entity

As a public benefit entity, CHISEL Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going Concern

The Board have concluded that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, as well as sufficient cash and finance available. No other significant concerns have been noted in the budget and the updated business plan. In making this assessment the Committee will consider the period from 12 months at the point of signing.

Principal Risks and Uncertainties.

It is difficult to predict with certainty what will impact upon any business, but we have identified the following risks which the Board will monitor and actively manage and plan to mitigate their impact:

- Cost of Living Crisis impacting on our residents. CHISEL now tracks this as part of our resident's satisfaction survey and provides a 24-hour helpline to support residents in need.
- Enhanced regulatory environment, and not engaging with its requirements - CHISEL meets quarterly with the regulator to help address this, and collaborates with the G320 group of smaller housing associations
- Poor Asset management - not addressing the issues arising out of the stock condition survey and previous underinvestment in capital works and repairs where properties were managed by managing agents.
- Inflation have impacted upon both the materials and services we procure and upon our tenants.

Value for Money

For CHISEL VFM is about spending wisely and making the best use of our resources ensuring we are an effective social business. It is important that CHISEL is able to demonstrate that it delivers Value for Money in its delivery of housing services to its tenants and other stakeholders. Our focus on delivering efficiencies and investing resources where they add value had been through involving our tenants in defining services by continually seeking their feedback both on an individual level and through Tenants' Scrutiny Committee. This enables us to identify our tenant's priorities and shape our services to meet these. As a small housing association getting value for money is very important to us and we have this in the forefront of our minds in all the spending decisions we make.

The previous years Regulator of Social Housing revised regulatory approach to VFM have been followed with the objectives of:

- Continuing to drive improvements in VFM within the social housing sector
- Ensuring a strategic approach to delivering VFM is embedded within the business
- Encouraging investment in existing homes and new housing supply
- Enhancing the consistency, comparability and transparency of VFM reporting

The RSH requires that we report against a prescribed set of metrics. Following last year when these metrics have been introduced, for comparative purposes, we have also included last year's performance. We have the standard metrics as currently shown in the report but intend to add our own ones that we believed were more relevant to CHISEL in the future. We continue to subscribe to the Acuity report and benchmarked us against the BM320 group.

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE BOARD (CONTINUED)

Our Performance against regulatory metrics

RSH Metric	2023/24	2022/23	2023/24 Target	Peer Group Median	Commentary
1. Reinvestment %	2.5%	0.3%	0.3%	4.7%	Attributable to an increase in works to existing properties over the financial year.
2A. New Supply Delivered (social housing units) %	-	-	-	-	No new units were added during the year.
2B. New Supply Delivered (non-social housing units) %	-	-	-	-	No new units were added during the year.
3. Gearing %	3.8%	3.7%	3.8%	32.3%	No capital repayments.
4. EBITDA MRI interest cover %	66.9%	469.1%	232.4%	194%	Attributable to lower operating surplus, and increase in capitalised major repairs expenditure.
5. Headline social Housing Cost per unit	£4,360	£3,966	£4,434	£4,960	An increase in operating costs, notably maintenance costs.
6A. Operating Margin (social housing lettings only)	12.5%	16.8%	17.3%	19.5%	Increased operating costs during the year, notably management and maintenance costs.
6B. Operating Margin (overall)	12.5%	16.8%	17.3%	17.4%	Increased operating costs during the year, notably management and maintenance costs.
7. Return on Capital Employed	1.3%	1.6%	1.6%	2.4%	Lower operating surplus in the year.

CHISEL remains part of the BM320 Benchmarking group for small housing associations in London and will continue as part of that group to benchmark performance across a wide range of performance measures that go to make up the wider sector score card. The BM320 publish an annual benchmarking report.

**CHISEL LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE BOARD (CONTINUED)

Statement of the Board's Responsibilities in Respect of the Financial Statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

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 group and association and of the Income and Expenditure for the period of account.

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

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the group and association and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Information for Auditors

We the members of the Board who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the Board.



M Lanham

Company Secretary

Date: 29 07 24

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHISEL LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the state of the Association's affairs as at 31 March 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 including FRC Ethical Standard – Provisions Applicable for Smaller Entities, in the circumstances set out in note 8 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Board 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHISEL LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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 Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; 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 Board's responsibilities statement set out on page 9, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 Association, 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, 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, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHISEL LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

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

- 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.

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 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 for our audit work, for this report, or for the opinions we have formed.

**Beever and Struthers
Chartered Accountants
Statutory Auditor**

150 Minorities
London
EC3N 1LS

Date:

CHISEL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
		£	£
Turnover	2	1,610,736	1,494,099
Operating Costs	2	(1,410,022)	(1,243,228)
Operating Surplus		<u>200,714</u>	<u>250,871</u>
Interest Received	6	-	-
Interest Payable	7	(90,349)	(64,337)
Gain/(loss) on disposal of housing property	5	-	-
Increase/(decrease) in value of investment property	15	(83,256)	-
Surplus/(deficit) before taxation		<u>27,109</u>	<u>186,534</u>
Taxation		-	-
Surplus/(deficit) for the year after taxation	8	<u>27,109</u>	<u>186,534</u>
Other comprehensive income			
Actuarial gain/(loss) in respect of pension schemes	12	(2,000)	-
Total Comprehensive Income for the year		<u>25,109</u>	<u>186,534</u>

The financial statements on pages 13 to 36 were approved by the Board on 29: 07: 24 and were signed on its behalf by:



L. OWEN
Chair



M. CLARE
Board Member



M. LANHAM
Secretary

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 17 to 36 form an integral part of these financial statements.

CHISEL LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
		£	£
Fixed assets			
Housing Properties	13	14,572,365	14,511,166
Other Fixed Assets	14	758	1,156
Investment Property	15	470,000	-
		15,043,123	14,512,322
Current assets			
Investment Property	15	-	553,256
Debtors	16	275,664	201,552
Cash and cash equivalents		854,385	844,556
		1,130,049	1,599,364
Less: Creditors:			
Amounts falling due within one year	17	(772,977)	(471,736)
		357,072	1,127,628
Net current assets/(liabilities)			
		15,400,195	15,639,950
Total assets less current liabilities			
Creditors:			
Amounts falling due after more than one year	18	(11,433,058)	(11,705,922)
Provisions for liabilities			
Pension- defined benefit liability	12	(21,000)	(23,000)
Other provisions	19	(10,000)	-
		3,936,137	3,911,028
Total Net Assets			
Capital and reserves			
Share Capital	20	66	66
Revenue Reserves		3,894,731	3,786,366
Revaluation Reserve		41,340	124,596
		3,936,137	3,911,028
Total Reserves			

290724

The financial statements on pages 13 to 36 were approved by the Board on and were signed on its behalf by:

L. Owen M. Clare

L. OWEN
Chair

M. CLARE
Board Member

M. Lanham

M. LANHAM
Secretary

The notes on pages 17 to 36 form an integral part of these financial statements.

CHISEL LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Income and Expenditure Reserve £	Revaluation Reserve £	Total £
Balance as at 1 April 2022	3,599,832	124,596	3,724,428
Surplus / (deficit) from Statement of Comprehensive Income	186,534	-	186,534
Balance at 31 March 2023	3,786,366	124,596	3,910,962
Surplus / (deficit) from Statement of Comprehensive Income	108,365	(83,256)	25,109
Balance at 31 March 2024	3,894,731	41,340	3,936,071

The notes on pages 17 to 36 form an integral part of these financial statements.

CHISEL LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Net cash generated from operating activities (see Note i)	i	592,197	170,736
Cash flow from investing activities			
Purchase of tangible fixed assets		(359,481)	(44,232)
Proceeds from sale of tangible fixed assets		-	-
Purchase of investment property		-	-
Interest received		-	-
		(359,481)	126,504
Cash flow from financing activities			
Interest paid		(90,349)	(64,337)
Issue of ordinary shares		-	-
Cancellation of shares		-	-
Repayment of borrowings		(132,538)	(121,531)
		(222,887)	(185,868)
Net change in cash and cash equivalents		9,829	(59,364)
Cash and cash equivalents at beginning of the year		844,556	903,920
Cash and cash equivalents at end of the year		854,385	844,556

Note i

	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Cash flow from operating activities		
Surplus / (deficit) for the year	25,109	186,534
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	298,282	261,592
Decrease / (increase) in trade and other debtors	74,112	(69,682)
Increase / (decrease) in trade and other creditors	272,672	(93,718)
Increase / (decrease) in provisions	10,000	-
Adjustments for investing or financing activities:		
Government grants utilised in the year	(178,327)	(178,327)
Government grants amortised for property sold	-	-
Interest payable	90,349	64,337
Interest receivable	-	-
Proceeds from sale of tangible fixed assets	-	-
Net cash generated from operating activities	592,197	170,736

The notes on pages 17 to 36 form an integral part of these financial statements.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

LEGAL STATUS

CHISEL Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing. The registered office is 188a Brockley Road, SE4 2RL.

1. Principal Accounting Policies

Basis of Accounting

The Association's financial statements have been prepared in accordance with applicable United Kingdom Accounting 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 except for investment properties which are held at fair value, and are presented in sterling £.

The Association's financial statements have been prepared in compliance with FRS 102, the Association transitioned from previous UK GAP to FRS 102 as at 1 April 2015.

As a public benefit entity, CHISEL Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Committee have concluded that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. No other significant concerns have been noted in the budget and business plan updated for 2023/24. Therefore, the Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

Turnover and revenue recognition

Turnover represents rental income receivable, service charges, amortised capital grants and amounts invoiced in respect of the provision of services. All turnover is accounted for on an accruals basis.

Rental income is recognised when the property is available for let, net of voids.

Housing properties

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

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 Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories. The following UELs are applied:

Component	
Structure	100 years
Structure – self build	60 years
Roof	60 years
Roofs grass –self build	25 years
Electric heating	40 years
Bathrooms, windows, doors and electrics	30 years
Kitchens	20 years
Boilers	15 years

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Principal Accounting Policies (continued)

Other fixed assets

Other fixed assets are stated at cost. Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Office furniture and fittings	3 years
Office furniture and equipment	5 years
Motor vehicles	3 years
Computer software	3 years

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

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. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

SHG 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 SHG can be used for projects approved by Homes England and Greater London Authority. 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 a subordinated unsecured repayable debt.

Capitalisation of interest

Interest on the mortgage loan financing a development is capitalised up to the date of practical completion of the scheme. All costs incurred in the delivery of the Association's development programme are also capitalised.

Provisions

The Association only provides for contractual liabilities.

Investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Investment Property

Investment property includes commercial and other properties not held for the social benefit of CHISEL Limited. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. The valuation is inflated or discounted annually using the Land Registry House Price Index. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

VAT

The Association is not registered for VAT. All amounts disclosed in the accounts are inclusive of VAT.

Taxation

CHISEL was granted charitable status from 18 April 2005, by virtue of s.478 Corporation Tax Act 2010, the charitable company is exempt from Corporation Tax.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Principal Accounting Policies (continued)

Impairment

The Board has agreed that Impairment reviews are to be carried out on fixed assets whenever changes in circumstances indicate that the net book value may not be recoverable.

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 profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- a. All equity instruments regardless of significance; and
- b. Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Pension costs and provision for pension debt liability

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

Consistent with the guidance in FRED 71 paragraph 4 (FRS 102 paragraph 28.11B), the difference between the deficit funding liability and the net defined benefit deficit for SHPS has been recognised in Other Comprehensive Income. Further disclosures in this area are included in note 12.

Cyclical Repairs and Maintenance

The Association maintains its properties in accordance with a planned programme of works. No provision is made in the accounts for future works but actual costs incurred are charged in the income and expenditure account under the heading of planned maintenance.

Self-Build Premiums

Tenants who built their own properties are entitled to receive a premium payment when they end their tenancy. The amount of the premium depends on the costs incurred on the particular scheme which they built. From 1 April 2004 premium payments are charged in the Statement of Comprehensive Income as incurred.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Principal Accounting Policies (continued)

Revaluation Reserve

The revaluation reserve represents the difference of the fair value of the investment property and historical cost as at the purchase date, the movement each year is calculated and the difference posted to the revaluation reserve through the Statement of Comprehensive Income.

Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the Association are classified as follows:

- Financial assets such as cash are held at cost,
- Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

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 Statement of Financial Position 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 if 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.

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.
- b) **Revaluation of investment properties.** The Association carries its investment property at fair value, with changes in fair value being recognised in profit and loss. The Association engaged independent valuation specialists to determine fair value at the purchase date, year ended 31 March 2024. The key assumptions used to determine the fair value of investment property are further explained in note 15.
- c) **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 12.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Turnover, operating expenditure and operating surplus

	2024		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (Note 3)	1,610,736	(1,410,022)	200,714
Activities other than social housing			
Market rents	-	-	-
Other Income	-	-	-
Total	1,610,736	(1,410,022)	200,714
	-----	-----	-----
	2023		
	£	£	£
Social housing lettings (Note 3)	1,494,009	(1,243,228)	250,871
Activities other than social housing			
Market rents	-	-	-
Other Income	-	-	-
Total	1,494,099	(1,243,228)	250,871
	-----	-----	-----

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Turnover and operating expenditure from Social Housing Lettings

	2024	2023
	£	£
Income		
Rent receivable	1,384,170	1,277,286
Service charge income	47,502	37,749
Amortised government grants	179,064	179,064
Turnover from Social Housing Lettings	1,610,736	1,494,099
Operating expenditure		
Management	672,641	559,233
Other costs	9,523	64,975
Routine maintenance	288,668	199,008
Planned maintenance	3,450	39,155
Bad debts	13,438	6,352
Services	104,520	83,316
Depreciation of housing properties	298,282	271,689
Lease costs	19,500	19,500
Operating expenditure on Social Housing Lettings	1,410,022	1,243,228
Operating Surplus on Social Housing Lettings	200,714	250,871
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	39,793	37,481

4 Accommodation owned, managed and in development

	2024		2023	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
Under management at end of year				
General Needs housing	225	29	225	29
Non-Social Housing				
Under management at end of year				
Market Rent	1	-	1	-
	<u>226</u>	<u>29</u>	<u>226</u>	<u>29</u>

5 Gain/ (loss) on disposal of property, plant and equipment

	2024	2023
	£	£
Proceeds of sale	-	-
Less: Costs of sale	-	-
Surplus	-	-
Capital Grant Recycled (note 24)	-	-

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Interest Receivable and similar income

	2024	2023
	£	£
Interest Receivable	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

7. Interest Payable and Similar Charges

	2024	2023
	£	£
Interest payable on Housing Loans	90,349	64,337
	<u>90,349</u>	<u>64,337</u>
	<u>90,349</u>	<u>64,337</u>

8. Surplus/ (deficit) on ordinary activities

	2024	2023
	£	£
The operating surplus is stated after charging/(crediting):		
Auditors remuneration (excluding VAT)		
In their capacity as auditors	13,042	12,223
In respect of other services	1,334	1,250
Depreciation of Housing Properties	298,282	271,689
Depreciation of Other Fixed Assets	412	1,457
Operating lease rentals:		
Office equipment	19,500	19,500

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements, as permitted under the FRC's Ethical Standard 2016 Section 6: Provisions Available for Audits of Small Audits.

9. Tax on Surplus/ (deficit) on ordinary activities

CHISEL was granted charitable status from 18 April 2005, by virtue of s.478 Corporation Tax Act 2010, the charitable company is exempt from Corporation Tax.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Directors' remuneration

	2024	2023
	£	£
The aggregate compensation paid to or receivable by Directors (key management personnel)	92,176	82,500
The emoluments paid to the highest paid Director excluding pension contributions	54,238	75,000

No emoluments were paid to any Board member.

The Director Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Chisel of £2,687 (2023: £7,500) was paid in addition to the personal contributions of the Director.

11. Employee information

	2024	2023
	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Number	3.42	4.75
Full time equivalents	2.86	4.70
	2024	2023
	£	£
Staff costs (for the above persons)		
Wages and salaries	154,485	207,260
Social Security Costs	18,999	24,039
Other pension costs	9,523	11,951
	183,007	243,250
	No.	No.
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:		
£60,000 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Pension Obligations

The Pensions Trust – Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The accounting policy in relation to SHPS is set out on page 19.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	98	95
Present value of defined benefit obligation	119	118
Surplus (deficit) in plan	(21)	(23)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(21)	(23)
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

Reconciliation of the Impact of the Asset Ceiling

	Period ended
	31 March 2024
	(£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Pension Obligations (continued)

Reconciliation of the Impact of the Asset Ceiling

	Period from 31 March 2023 to 31 March 2024
	(£000s)
Defined benefit obligation at start of period	118
Current service cost	-
Expenses	2
Interest expense	6
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(2)
Actuarial losses (gains) due to changes in demographic assumptions	(1)
Actuarial losses (gains) due to changes in financial assumptions	1
Benefits paid and expenses	(5)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	119

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period from 31 March 2023 to 31 March 2024
	(£000s)
Fair value of plan assets at start of period	95
Interest income	5
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(4)
Contributions by the employer	7
Contributions by plan participants	-
Benefits paid and expenses	(5)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	98

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Pension Obligations (continued)

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £1,000.

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	2
Net interest expense	1
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	3

Defined Benefit Costs Recognised in Other Comprehensive Income

	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(4)
Experience gains and losses arising on the plan liabilities - gain (loss)	2
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	1
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(2)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	(2)

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Pension Obligations (continued)

Assets

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Global Equity	10	2
Absolute Return	4	1
Distressed Opportunities	3	3
Credit Relative Value	3	4
Alternative Risk Premia	3	-
Fund of Hedge Funds	-	-
Emerging Markets Debt	1	1
Risk Sharing	6	7
Insurance-Linked Securities	1	2
Property	4	4
Infrastructure	10	11
Private Debt	4	4
Opportunistic Illiquid Credit	4	4
High Yield	-	-
Opportunistic Credit	-	-
Cash	2	1
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	1	3
Secured Income	3	4
Liability Driven Investment	39	44
Currency Hedging	-	-
Net Current Assets	-	-
Total assets	98	95

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Pension Obligations (continued)

Key Assumptions

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.86%	4.89%
Inflation (RPI)	3.20%	3.20%
Inflation (CPI)	2.75%	2.72%
Salary Growth	3.75%	3.72%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. Housing Properties

	Total Housing Properties
	£
Cost	
At 1 April 2023	20,347,141
Additions	359,481
Disposals – components	(95,415)
At 31 March 2024	20,611,207
Depreciation and impairment	
At 1 April 2023	5,835,975
Charge for the year	298,282
Eliminated on disposal – components	(95,415)
At 31 March 2024	6,038,842
Net Book Value	
Net Book Value at 31 March 2024	14,572,365
Net Book Value at 1 April 2023	14,511,166
Net book value of housing properties comprise	
Freehold	14,361,863
Long Leasehold	210,502
Works to existing properties in the year	
Improvement works capitalised	-
Components capitalised	359,481
Amounts charged to expenditure	292,118

The aggregate amount of interest and finance costs included in the cost of housing properties is £Nil. The net book value of other fixed assets includes £Nil (2023: £Nil) in respect of assets held under finance leases.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Other Fixed Assets

	Housing Property Furniture and Fittings	Office Equipment	Computer Software	Total
	£	£	£	£
Cost				
At 1 April 2023	41,311	63,402	76,477	181,190
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	<u>41,311</u>	<u>63,402</u>	<u>76,477</u>	<u>181,190</u>
Depreciation and impairment				
At 1 April 2023	41,285	63,402	75,347	180,034
Charge for the year	26	-	372	398
Eliminated on disposal	-	-	-	-
At 31 March 2024	<u>41,311</u>	<u>63,402</u>	<u>75,719</u>	<u>180,432</u>
Net Book Value				
Net Book Value at 31 March 2024	<u>-</u>	<u>-</u>	<u>758</u>	<u>758</u>
Net Book Value at 1 April 2023	<u>26</u>	<u>-</u>	<u>1,130</u>	<u>1,156</u>

15. Investment Property

	2024 £	2023 £
At 1 April 2023	553,256	553,256
Additions	-	-
Gain/(loss) from adjustment in valuation	(83,256)	-
At 31 March 2024	<u>470,000</u>	<u>553,256</u>

Investment properties were formally valued at May 2016 by Brett Gardner professional qualified external valuer. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The change in valuation since then is based on a valuation provided by Realtime. For the year ended 31 March 2024 a valuation from Hometrack has been obtained.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Trade and other debtors

	2024	2023
	£	£
Arrears of rent and service charges – tenants	173,315	129,155
Less: provision for bad debts	(70,230)	(70,230)
Arrears of rent and service charges – managed lettings	-	1,915
Less: provision for bad debts	-	-
Prepayments and accrued income	27,486	15,349
Other Debtors	237,108	242,954
Less: provision for other debtors	(92,015)	(117,591)
Debtors are all due within one year	275,664	201,552

17. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	190,534	11,950
Housing Loans (Note 18b)	117,154	132,538
Rents and service charges paid in advance – tenants	69,382	47,693
Rents and service charges paid in advance – managed lettings	-	9,722
Other taxation and social security	-	5,221
Deferred Capital Grant (Note 24)	178,327	178,327
Other Creditors and accruals	143,798	12,503
Recycled Capital Grand Fund (Note 25)	73,782	73,782
	772,977	471,736

18. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Housing Loans (Note 18b)	1,285,363	1,379,163
Deferred Capital Grant (Note 24)	10,147,695	10,326,759
Recycled Capital Grant Fund (Note 25)	-	-
	11,433,058	11,705,922

18b. Loan Analysis

Loans repayable by instalments:	2024	2023
	£	£
Within one year (Note 17)	117,154	132,538
In one year or more but less than two years	118,479	119,603
In two years or more and less than five years	384,474	370,637
In five years or more	782,410	888,923
Total Loans	1,402,517	1,511,701

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Provision for Liabilities

The association recognises provisions and liabilities of uncertain timing or amounts. Provisions is made for specific and quantifiable liabilities, measured at the best estimate of expenditure and only where probable that it is required to settle a legal or constructive obligation that existed at the Statement of Financial Position date.

	2024	2023
	£	£
At beginning of the year	-	-
Increase in provision	10,000	-
Release of provision	-	-
	<hr/>	<hr/>
At 31 March 2024	10,000	-
	<hr/>	<hr/>

20. Non-equity share capital

	2024	2023
	£	£
Allotted Issued and Fully Paid		
At 1 April 2023	66	66
Issued during the year	-	-
Cancelled during the year	-	-
	<hr/>	<hr/>
	66	66
	<hr/>	<hr/>

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. All shares are fully paid.

21. Capital Commitments

	2024	2023
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	18,000	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
	<hr/>	<hr/>
	18,000	-

Chisel expect these commitments to be financed by the cash balances held.

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

22. Operating Leases

CHISEL holds office and scheme equipment under non-cancellable operating leases. As at 31 March 2024 CHISEL had commitments of future minimum lease payments as follows:

	2024	2023
	£	£
Land and Buildings		
In one year or more but less than two years	19,500	19,500
In two years or more and less than five years	4,875	4,875
In five years or more	-	-
Others:		
In one year or more but less than two years	300	300
In two years or more and less than five years	900	900
In five years or more	30,300	30,600
	<u>55,875</u>	<u>56,175</u>

23. Contingent Liabilities

Self-Build Premiums

Tenants who build their own properties are entitled to receive a premium when they end their tenancy. At 31 March 2024 there were 22 such tenancies and the potential liability at that date was £177,218 (2023: £169,912). Premium payments are charged in the statement of comprehensive income as incurred in accordance with the accounting policy.

Social Housing Pension Scheme

Chisel has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

CHISEL LIMITED
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FOR THE YEAR ENDED 31 MARCH 2024

24. Deferred Capital Grant

	2024	2023
	£	£
At 1 April 2023	10,505,086	10,684,150
Grant received in the year	-	-
Released to Income in the year	(179,064)	(179,064)
Recycled Capital Grant	-	-
Grant amortised for property sold	-	-
At 31 March 2024	10,326,022	10,505,086
Amount due to be released < 1 year	178,327	178,327
Amount due to be released > 1 year	10,147,695	10,36,759
The total accumulated government grant	10,326,022	10,505,086
The total accumulated government grant and financial assistance received or receivable at 31 March:	14,904,138	14,904,138

25. Recycled Capital Grant Fund

	2024	2023
	£	£
At 1 April	73,782	73,782
Grant recycled	-	-
At 31 March	73,782	73,782

26. Related Parties

The following are related parties:

Chisel supports tenant involvement and as part of this commitment, up to one third of the Board may be tenants of Chisel. Through the self-build programme Chisel has issued tenancies that have premiums payable on surrender of the tenancy with vacant possession. The amounts of the premiums vary and can be several thousand pounds.

The Board has tenant members who hold tenancy agreements on normal terms and cannot use their position to their advantage. Rent charged to the tenant Board members during the year was £18,824 (2023: £24,389). Arrears on their tenancy at the reporting period end were £311 (2023: £1,248).

Related party balances are not secured. ☒

CHISEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

27. Financial Instruments

The Association's financial instruments may be analysed as follows

	2024	2023
	£	£
Financial Assets		
Financial Assets Measured at Fair Value		
Investment Property	470,000	553,256
Financial Assets Measured at Cost		
Cash and Cash Equivalents	854,385	844,556
Financial Assets Measured at Amortised Cost		
Rent and Service Charge Debtors	103,085	60,800
Other Debtors	237,108	110,144
Total Financial Assets	1,664,578	1,568,756
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Trade Creditors	190,534	11,950
Other Creditors	143,798	12,583
Housing Loans Payable	1,402,517	1,511,701
Total Financial Liabilities	1,736,849	1,536,234

28. Legislative Provisions

The Association is registered under the Co-operative and Community Benefit Societies Act 2014. (The status of the Association is as a "Registered Society").

29. Analysis of Changes in Net Debt

	At 1 April 2023	Cash Flows	Non-Cash Movements	At 31 March 2024
	£	£	£	£
Cash and Cash Equivalents	844,556	9,829	-	854,385
Housing Loans Due in One Year	(132,538)	132,538	(117,154)	(117,154)
Housing Loans Due After One Year	(1,379,163)	-	94,250	(1,285,363)
	<u>(667,145)</u>	<u>142,367</u>	<u>(22,904)</u>	<u>(548,132)</u>