ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2024

The Housing Plus Group Limited
Acton Court, Acton Gate, Stafford, ST18 9AP

Registration No. 30224R

CONTENTS

BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS AND ADVISORS

Registered Office	Acton Court, Acton Gate, Stafford, ST18 9AP
The Housing Plus Group Limited	Registered Co-operative & Community Benefit Society No: 30224R Registered by the Regulator of Social Housing No: L4491
Internal Auditors	Beever and Struthers 20 Colmore Circus Queensway, Birmingham, B4 6AT
External Auditors	KPMG LLP Chartered Accountants and Statutory Auditors, One Snowhill, Birmingham, B4 6GH
Legal Advisers	Anthony Collins LLP 134 Edmund Street Birmingham, B3 2ES
Funders	Nationwide Building Society Kings Park Road, Moulton Park, Northampton, NN3 6NW BAE Systems Pension Funds Investment Management Ltd Burwood House, 14/16 Caxton Street London, SW1H 0QT Canada Life Investments 1-6 Lombard Street, London, EC3V 9JU Shropshire Council The Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND Barclays Bank PLC 1 Churchill Place, London, E14 5HP Lloyds Bank PLC Lending Operations New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN Aviva Investors Structured and Private Debt, St Helen's 1 Undershaft, London EC3P 3DQ M&G, Laurence Pountney Hill, London, EC4R 0HH

BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS AND ADVISORS (Continued)

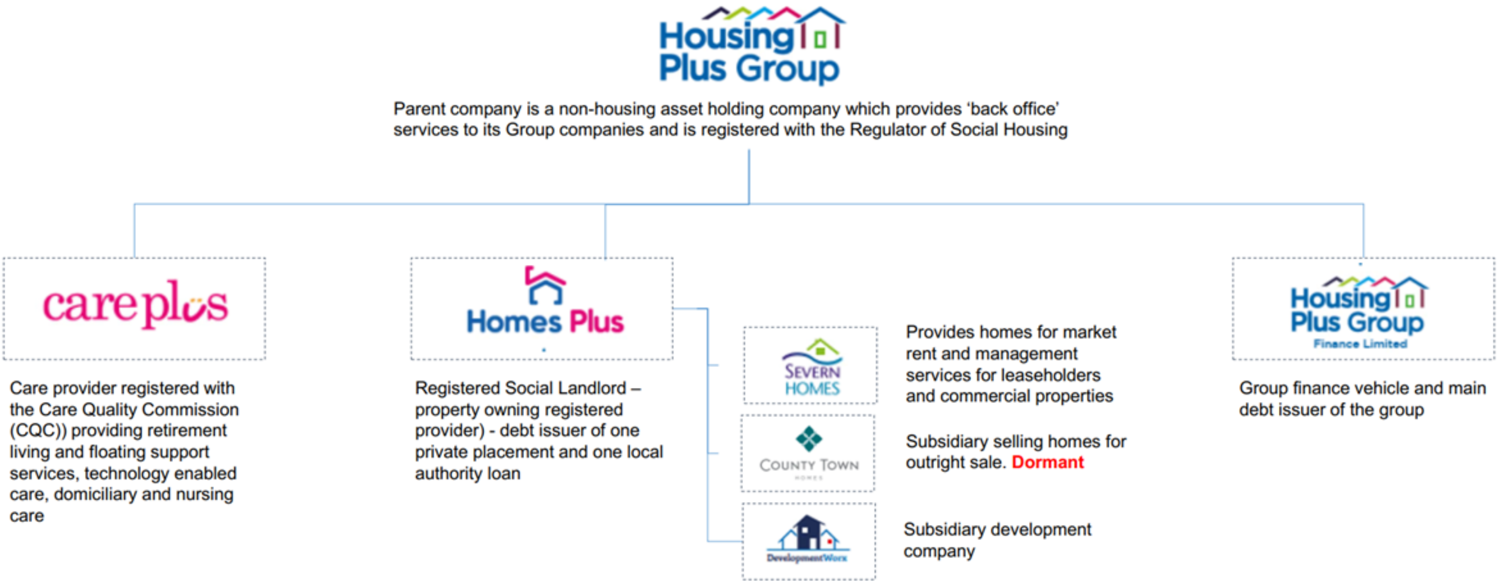
Bankers	**Barclays Bank PLC** One Snowhill, Birmingham, B3 2WN
	National Westminster Bank PLC 8 Mardol Head, Shrewsbury, SY1 1HE
Board of Management	S Jennings (Chair) G Betts A Burns J Burt C Dass A Dhillon I Fleming S Boden (Executive Director)
Chief Executive	S Boden
Executive Directors	
Executive Director of Finance & Transformation	V Whibley (Maternity leave from 13 November 2023)
Interim Director of Finance	P Holland (Appointed 23 October 2023)
Interim Director of IT & Transformation	J Roche (Appointed 23 October 2023)
Executive Director of Housing & Care	L Clarke
Executive Director of Property	A Kenny
Company Secretary	I Molyneux

REPORT OF THE BOARD

Principal Activities

The Housing Plus Group ("the Group") is a leading provider of housing and related services within Shropshire and Staffordshire, providing more than 19,000 homes and employing more than 900 staff.

The Parent Company, The Housing Plus Group Limited ("the parent") is a non-housing asset holding company which provides 'back office' services to its Group companies. The Parent was originally incorporated by the Financial Conduct Authority on 10 May 2007 (30224R) and was registered with the Regulator of Social Housing (L4491) on 22 May 2007.



The Parent has three direct subsidiaries:

- Homes Plus Limited (Landlord (property owning Registered Provider)
- Care Plus (Staffordshire) Limited (Care Provider registered with the Care Quality Commission (CQC))
- The Housing Plus Group Finance Limited (Group finance vehicle)

Homes Plus Limited ("Homes Plus") – Homes Plus is a property-owning Registered Society/Community Benefit Society ("CBS") and a charitable Housing Association registered with the Regulator of Social Housing (RSH). Homes Plus is a debt issuer of one private placement and one local authority loan. All other funding for Homes Plus is provided by The Housing Plus Group Finance Limited which is the main debt issuer of the Group.

REPORT OF THE BOARD (continued)

Principal Activities (continued)

Homes Plus has three wholly owned subsidiaries.

- Severn Homes whose principal activity is the buying and selling of real estate. Severn Homes is fully funded by Homes Plus via an Intra Group Loan Agreement to deliver works on behalf of the landlord.
- Development Worx provides design and build services to Homes Plus and is the contracting vehicle for external partners, suppliers and contractors who support the Homes Plus development programme.
- County Town Homes was incorporated in 2017 as a subsidiary of the legacy landlord, Stafford and Rural Homes, to deliver new build developments for outright sale. County Town Homes is currently dormant as its activities are a duplication of other subsidiaries within the Group. The branding of County Town Homes is currently being used for the Group's outright sale properties.

Care Plus (Staffordshire) Limited ("Care Plus") became a subsidiary in April 2010 and provides retirement living and floating support services, technology enabled care, domiciliary and nursing care; primarily to the residents of Homes Plus properties. Care Plus purchased a care home in October 2020 which is the only property asset Care Plus owns. Care Plus is an exempt charity and is registered with the Care Quality Commission (CQC).

The Housing Plus Group Finance Limited ("HPGF") is the funding vehicle and main debt issuer for the Group. The company was incorporated in 2019 and commenced operations on 22 September 2019. All existing loans originally made to legacy landlords were novated to HPGF except for one private placement and one local authority loan. On the 20th of December 2023, a new revolving credit facility (RCF) loan agreement was signed with Lloyds Bank, allowing the repayment in full of the Barclays RCF. Although not completed as at 31 March 2024, the Group entered into a new £50m facility agreement with NatWest early in the 2024/25 financial year, which when the security work is completed will be used to repay the remaining £20m of fixed rate loans with Barclays.

The results of Homes Plus, Care Plus, HPGF, Severn Homes and Development Worx have been consolidated into the financial statements of the Group for the year to 31st March 2024.

Board Members and Executive Officers

The Group is governed by a Board composed of Non-Executive members plus the Group's Chief Executive. The Non-Executive members are also members of subsidiary Boards. The Chief Executive is as Executive member of the Care Plus Board. Membership of the Boards across the Group are periodically renewed to reflect business need.

REPORT OF THE BOARD (continued)

There are three Group Committees: Audit and Risk Committee, People Committee and Development Committee. Membership of these Committees is drawn from all Boards within the Group and is detailed in Note 10 to the Financial Statements.

The Group is managed by an Executive Management Team headed by the Chief Executive supported by an Executive Director of Finance & Transformation, Executive Director of Housing & Care and Executive Director of Property. In the temporary absence of the Executive Director of Finance & Transformation, two interim appointments have been made to cover her areas of responsibility.

Each Non-Executive member of the Board holds one share of £1 in the Housing Plus Group Limited. The Executive Officers of the Group hold no interest in the Group's share capital and, although they do not have the legal status of Directors, they act as Executive Officers within the authority delegated to them by the Board and are termed as ‘Directors’.

The Group has purchased Directors' and Officers' Liability Insurance for the Board Members, Executive Officers and staff of the Group.

Members of the Board receive remuneration. The remuneration of the Chief Executive is determined by the Group Board and through the Chief Executive, remuneration of the other Executive Officers is approved by the People Committee. External professional advice is sought as necessary to ensure that regard is taken of remuneration levels in similar organisations within the housing sector and the wider marketplace. Full details of the remuneration of each Board Member and Executive Management Team Member are provided in note 10 of the financial statements.

Local Authority and Funders’ Support

The Group Board wishes to place on record its gratitude for the support of South Staffordshire Council, Shropshire Council and Stafford Borough Council - the Members and Officers have been invaluable in their continued contribution to the success of our business. Our thanks are also extended to our Funders; Nationwide Building Society, Barclays, BAE Systems Pension Funds Investment, Canada Life, Shropshire Council, M&G, Aviva and Lloyds, who joined the funding portfolio during the year. Shortly after the year end NatWest also joined the Groups funding portfolio. Our funders continue to respond positively to proposals put to them and give us the benefit of their vast experience in the field of social housing.

Accounting Policies

The policies can be found on pages 60 to 70 of the financial statements. Accounting policies are consistent across all Group entities. These include the effects of material estimates on judgements contained within the financial statements.

REPORT OF THE BOARD (continued)

Governance

The Group complies with the Regulator of Social Housing's Governance and Financial Viability Standard. The Group Board makes this statement having reviewed the results of various self-assessments that have been undertaken including those of subsidiary Boards.

The Group maintains an accurate and up to date record of its assets and liabilities. The Audit and Risk Committee undertake an annual review of the register to ensure that this is reflective of the Group's position.

The Group has adopted the 2020 edition of the National Housing Federation's Code of Governance. A self-assessment is undertaken on an annual basis to assess compliance with the requirements of the Code. Linked to business need and Board succession planning, during the financial year 2023/24, in accordance with the 'comply and explain' provisions of the Code, to aid effective conduct of business operations it was agreed that the terms of office of the Group Chair (Steve Jennings), the Senior Independent Director (Catherine Dass) and Craig Royall (a tenant of Homes Plus who serves on the Homes Plus subsidiary Board) would be extended for a maximum period of 15 months beyond the usual six year term. In all other respects, it is confirmed that the Group complies fully with the Code.

Health and Safety and Well-being

The Group Board is very aware of its health and safety responsibilities, promotes and maintains a culture of excellence and is proud of the Group's record in this area. We have comprehensive training programmes for our staff and strong internal audit arrangements. Linked to an extensive fire risk assessment programme, significant investment has been made into improving fire safety within our buildings which, where necessary, has included the installation of new fire doors and building compartmentalisation work. Regular reports on the status of compliance against our statutory and regulatory obligations are presented to our boards and the Group Audit and Risk Committee.

Statement of Internal Controls

The Group Board is the ultimate governing body for the Group and has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness. This has included annual reviews at away days and production of improvement programmes.

The system of internal control is designed to manage rather than eliminate risk, to prevent and/or detect fraud and to provide reasonable, but not absolute, assurance against material misstatement, loss or failure to achieve business objectives. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

REPORT OF THE BOARD (continued)

In meeting its responsibilities, the Group 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 Group is exposed.

The process adopted by the Group 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 and ongoing process of management review in each area of the Group's activities.

The Executive Management Team regularly considers and receives reports on significant risks facing the Group and the Group's Chief Executive is responsible for reporting to the Board on any significant changes affecting key risks. The Group Audit and Risk Committee has delegated authority to oversee this arrangement.

The People Committee has responsibility for overseeing people related and general governance matters. In discharging its duties, its activities include the recruitment and appointment of all Group Board Members and the Executive Management Team. It also makes recommendations regarding their remuneration levels to the Group Board and has general oversight in respect of Board effectiveness reviews and Non-Executive Director succession planning.

Environmental and Control Procedures

The Group Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. Business plans are stress tested using scenarios agreed with Boards and any necessary mitigation plans are formulated. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Information and Financial Reporting Systems

Financial reporting procedures include preparing detailed budgets for the financial year ahead for each entity within the Group. Detailed Financial Statements are produced monthly for management review and presented at least quarterly to the Boards together with forecasts for the remainder of the financial year.

REPORT OF THE BOARD (continued)

All the above are reviewed in detail by the Executive Management Team and are considered and approved by the relevant Board. All Boards also regularly review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

All Board members receive regular information on a range of topics plus Board and Committee papers and minutes.

Fraud Reporting Systems

The Group aims to prevent fraud and corruption by the following measures:

- Code of Conduct for Employees and Board Members
- Policies in respect of: Anti-fraud, Bribery and Corruption, Money Laundering and Whistleblowing
- Standing Orders and Financial Regulations
- Data Protection and Confidentiality Policies
- Internal Audit programmes

These arrangements are intended to minimise the opportunity for fraud and highlight any areas of potential fraud and corruption before they occur. Quarterly fraud update reports are provided to the Audit and Risk Committee.

During the financial year one instance of a perpetrated fraud was identified which was reported to the police and fully investigated internally with lessons learnt implemented. The findings from the incident investigation report have been presented to the Audit and Risk Committee for consideration and comment as well as being reported to the Regulator of Social Housing. It was pleasing to be able to advise that thanks to the co-operation of Bankers, the monies fraudulently obtained were recovered in full.

Monitoring and Corrective Action

A process of regular management reporting on control issues provides assurance to senior management and to the Boards across the Group. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and the delivery of our services.

The Internal Control Framework and the Risk Management process are subject to regular review by Internal Audit who advise the Executive Management Team and report to the Group Audit and Risk Committee. The Committee considers internal control and risk at each of its meetings during the year.

The internal audit providers, Beever and Struthers, have concluded that based on the work undertaken, and subject to the weaknesses identified and reported in internal audit reports, the Board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and internal controls.

REPORT OF THE BOARD (continued)

The Group Audit and Risk Committee conducts an annual review of the effectiveness of the system of internal control. A report is prepared which has taken account of any changes needed to maintain the effectiveness of risk management and control processes and this report is shared with Board members.

The Board confirms that there is an ongoing process for identifying and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the Annual Report and Financial Statements and is regularly reviewed by the Board.

No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the Financial Statements for the year ended 31 March 2024 and up to the date of approval of the Financial Statements.

Statement of Board's responsibilities in respect of the Board's Report and the financial statements

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

Co-operative and Community Benefit Society law requires the Association's Board to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing each of the Group and the Association 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its 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 responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether

REPORT OF THE BOARD (continued)

due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of Information to Auditors

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

Independent Auditors

A resolution to appoint External Auditors will be proposed at the next Annual General Meeting.

By Order of the Board:

S Jennings
Chair

I Molyneux
Company Secretary

S Boden
Director

25 July 2024

GROUP STRATEGIC REPORT

Objectives and Strategy

The Group is a public benefit entity and as such its primary objective is to provide goods or services for the general public, community or social benefit. The Group has a clear vision and priorities which are shared across the Group. Its members are committed to delivering quality affordable homes and services in both Shropshire and Staffordshire.

The Group is a leading housing provider, care provider and property developer. Any profits realised through its subsidiaries are reinvested into its homes, customers, communities and continued investment in the Groups business resilience. These corporate priorities are at the heart of the Corporate Plan 2022-25 'Progressive and Resilient Through Change'.

Our Vision is: A resilient organisation, making a positive difference to homes, lives and communities.

Our 2022-25 strategic priorities to achieve this vision are:

Homes

- **Complete more new homes** to meet identified housing needs across a range of tenures
- **Continue to invest in our homes,** using asset data to prioritise investment and provide timely, quality repair services
- Begin delivery of the **Net Zero Carbon** strategy and the improvement of energy performance
- Continue to be a **sector leader** in our **property compliance** and health and safety activities
- **Minimise and deal** promptly with disrepair**, damp and mould** or other issues which adversely affect the health and wellbeing of residents
-

GROUP STRATEGIC REPORT (continued)

Lives and Communities

- Be obviously and unequivocally a business that **values and respects its customers**, driving a strong customer service culture, embracing the customer standards
- **Respond to the growing population and needs of older and vulnerable people** through an increased provision of a range of both care services and accommodation choices
- Continue to develop **effective customer engagement**, utilising feedback and data and ensuring that every interaction with customers is used to improve the customer experience
- **Enhance our customers' resilience and wellbeing**, through financial and employment advice, floating support services and partnerships with specialist agencies
- Support our customers to **ensure they are not digitally excluded**
- Establish a **"making a positive difference"** fund to support community focused initiatives in our most deprived wards
- Continue our apprenticeship programme and **invest in the skills and knowledge of our colleagues** to enable them to serve customers well and meet the needs of the business
- Offer **employment and training opportunities** to our communities

Business Resilience

- **Maximise** the **Group's income streams**
- Ensure **timely procurement of additional funding streams**, to deliver the Group's priorities
- **Take care of our staff's wellbeing**, learning and professional development needs
- Make **THE GROUP** a **great place to work** with modern, inclusive working environments, practices and leadership
- **Attract, retain and grow talented** and committed people
- Ensure a **dynamic approach** to risk identification and mitigation
- Ensure we have **appropriate systems and technology to drive business** transformation and greater business efficiencies
- Ensure we have **secure, appropriate data, skills, systems and technology** to enable effective management and development of our businesses
- Continue to **modernise our governance services and structures** to ensure efficient, supportive and skilled services and Regulatory compliance
- **Growing the business**

GROUP STRATEGIC REPORT (continued)

Our Values

Communication	Providing communication that is timely, open, honest, clear and consistent.
Learning	Committed to seeking knowledge, innovating and adopting new ways of working to enhance the work of the Group.
Accountable	Taking responsibility for our actions and performance, providing support and ideas to seek solutions.
Respectful	Being polite and considerate, understanding the needs of others, respecting and valuing their views.
Inclusive	Working together to create an environment that celebrates differences and embraces diversity of thought.
Trust	Acting with integrity at all times, empowering our colleagues and seeking assurance that others will do the same.
You	Taking personal responsibility for living and embodying our values.

You – Employees
We share a responsibility to live our values every day

You – Customers
YOU are at the heart of all our work

You – Stakeholders
We can do more, with YOU

Our values have been developed by our staff and the Board to express how we work with each other, our customers, and our stakeholders. They are an expression of our culture and underpin everything we do. They provide guidance for the excellent staff across our Group and form the fabric of our relationships and partnerships.

Business & Financial Review

Regulatory Assessments

The Group’s performance is assessed by the Regulator for Social Housing (RSH) and the Care Quality Commission (CQC).

GROUP STRATEGIC REPORT (continued)

The Group consistently obtains the highest Regulator grading of G1 for Governance. In the latest Stability check (15 November 2023) the Viability grading was maintained at V2, in common with a significant number of RPs in the sector.

Care Plus was awarded “Good” ratings in all areas by the CQC (latest review 6 July 2023).

The Group is committed to achieving the highest standards across all its operations, financials, risk management and governance.

The Group complies with the 2020 NHF Code of Governance and continually reviews its ongoing compliance with this Code as well as the Regulatory standards, procedures and guidance.

Statement of Comprehensive Income

	31 March 2023	31 March 2024
	£000’s	£000’s
Turnover	£111,316	£126,107
Operating Surplus	£26,377	£32,167
Operating Surplus %	23.7%	25.5%
Surplus for the Year	£8,013	£10,097
Surplus for the Year %	7.2%	8.0%

Turnover

Turnover of £126.1M (2023: £111.3M) increased by 13.3% on the previous years result mainly due to £8.2M of additional rent and £5.1M of market sales activity.

Operating Surplus

The operating surplus of £32.2M (2023: £26.4M) shows a 22% increase in the operating surplus % mainly due to £8.4M of additional social housing income wheereas social housing operating expenditured only increased by £3.1m.

Surplus for the Year

The surplus of £10.1M (2023: £8.0M) increased by 26.3% on the previous years result due to £3.5M of additional interest payable resulting from a combination of increased base rates and the in year drawdowns required to fund the 2023/24 development programme.

GROUP STRATEGIC REPORT (continued)

Statement of Financial Position

	31 March 2023	31 March 2024
	£000's	£000's
Fixed Assets	£703,369	£724,185
Current Assets	£44,361	£35,250
Current Liabilities	(£28,595)	(£22,197)
Long Term Creditors	(£487,375)	(£496,276)
Pension	(£3,280)	(£3,383)
Reserves	(£228,480)	(£237,579)

Fixed Assets

The carrying value of the Groups fixed assets held on a historical cost basis increased by £20.8M to £724.2M (2023: £703.4M) mainly due to housing property additions resulting from the 2023/24 development programme and capital investment on existing stock.

Current Assets

The Groups current assets decreased by £9.1M to £35.3M (2023: £44.4M) mainly due to a reduction in cash balances being held.

Current Liabilities

The Groups current liabilities of £22.2M have reduced by £6.4M (2023: £28.6M) this is due to a reduction in short term loan due for repayment within one year.

Long Term Creditors

The long terms liabilities increased by £8.9M to £496.3M (2023: £487.4M) mainly due to an increase in long term loans of £7.2m and £2m of defered grant income

Pension

The Groups net pension liabilities of £3.4M (2023: £3.3M) are broadly similar to 2022/23.

GROUP STRATEGIC REPORT (continued)

Reserves

The Groups reserves increased by £9.1M during 2023/24 resulting from a £10.1M increase in the income and expenditure reserve and a £0.8M actuarial loss in the Groups defined benefit schemes valuations.

Statement of Cashflows

	31 March 2023	31 March 2024
	£000's	£000's
Operating Cashflows	£33,013	£41,319
Investing Cashflows	(£27,019)	(£29,185)
Financing Cashflows	(£5,078)	(£19,921)
Net Increase/ (Decrease) in Cash	£916	(£7,787)
Opening Cash at Bank	£10,429	£11,345
Closing Cash at Bank	£11,345	£3,558

Operating Cashflows

The £8.3M reduction in operating cash inflows from 2022/23 of £41.3M (2023: £33.0M) is consistent with that stated in the Statement of Comprehensive Income.

Investing Cashflows

Investing cash outflows of £29.2M (2023: £27.0M) resulted from £44.0M (2023: £36.8M) of cash outflows from the purchase of fixed assets, offset by inflows of £12.2M (2023: £8.5M) of proceeds from the sale of fixed assets and £2.6M (2023: £1.1M) of grants recieved.

Financing Cashflows

Financing cash outflows of £19.9M (2023: £5.1M inflows) resulted from £41.0M (2023: £25M) of cash inflows from loan drawdowns, offset by outflows of £21.6M (2023: £17.9M) of interest paid and £39.3M (2023: £12.1M) of loan repayments.

GROUP STRATEGIC REPORT (continued)

Treasury Management

Treasury management responsibility is delegated by the Group Board to the Executive Director of Finance & Transformation. The Treasury Policy is set annually, approved by the HPGF Board and ratified by the Group Board, both of which are provided with quarterly monitoring reports.

HPGF sources funding on behalf of the Group Limited directly from Banks, Building Societies and institutional investors. HPGF on-lends the proceeds to the asset-owning subsidiaries of the Group. During the 2023/24 financial year HPGF entered a secured loan facility with Lloyds Bank, using property owned by Homes Plus. The funds from the Lloyds facility were used to fully repay the Barclays RCF, and the facility cancelled as of 6th February 2024. Detail of the full funding arrangements of the Group can be found on the tables on page 20.

All the drawn funding is on-lent to Homes Plus. Subsequently Homes Plus can on-lend a maximum of £30M to other subsidiaries within the Group. HPGF has £28.5M of undrawn revolving credit facilities as of 31 March 2024. Non-utilisation fees in relation to undrawn facilities are re-charged to Homes Plus. The funding held outside of HPGF is a historic loan from Shropshire Council and the M&G/Aviva Private Placement, both of which are held directly with Homes Plus using property owned by Homes Plus as security.

The Group's activities expose it to several financial risks including credit risk, cash flow risk, interest rate risk and liquidity risk. The use of financial derivatives is governed by the Group's Treasury Policy approved by the Board, which provides written principles on the use of financial derivatives to manage these risks. The Group does not currently use derivative financial instruments for speculative purposes.

The Group has pursued a strategy of fixing interest rates on loans to provide certainty of future interest payments. At the year-end, 63% of loans (fixed or index linked) were at fixed rates of varying length, with floating and revolving credit facilities attracting interest at variable rates linked to the Sterling Overnight Index Average (SONIA). The Group reviews its policy on interest rate risk on a regular basis to manage this risk based on the most up to date information available.

GROUP STRATEGIC REPORT (continued)

Total Group borrowing at the financial year-end comprised:

	Facility	Undrawn	Fixed	Variable	Facility Maturities	Repayment
Lenders	**£000's**	**£000's**	**£000's**	**£000's**		
Nationwide	£245,000	£28,500	£107,500	£109,000	2027-2045	Amortising
Barclays	£20,000	-	£20,000	-	2031	Bullet
Lloyds	£45,000	-		£45,000	2028	Bullet
M&G/Aviva	£50,000	-	£50,000	-	2051	Bullet
BAE	£45,000	-	£45,000	-	2042	Amortising
Canada Life	£35,000	-	£35,000	-	2048	Amortising
Shropshire Council	£7,530	-	£7,530	-	2039-2041	Amortising
Total	**£447,530**	**£28,500**	**£265,030**	**£154,000**		**Mixed**

Funding Capacity

In terms of access to future funding, the Group has significant surplus security and during the year renegotiated its loan facility with the Groups largest lender and entered into new facility agreements using an MVT-STT valuation methodology, allowing for significant security to be released. The Group currently has c. £207M (EUV-SH) of uncharged/unallocated properties which could be used to secure new funding when required.

Funders Covenants

The Group ensures that it operates with a prudent level of covenant headroom and monitors performance monthly. This performance is reported to the Board on a quarterly basis. There were no covenant breaches during the 2023/24 financial year.

	31 March 2023	31 March 2024
EBITDA MRI	116%*	121%*
Net Debt per Unit	£22,422	£22,227

* Regulators VFM metric calculation

GROUP STRATEGIC REPORT (continued)

Operating Environment

The combination of fewer people seeking work following the Covid-19 pandemic and the labour shortages following the withdrawal of the United Kingdom from the European Union has continued to make recruitment of skilled workers challenging during 2023/24, this has been felt most significantly in the groups care and property divisions. In addition, the war in Europe has exacerbated the situation although the reduction in energy prices has curtailed inflation in the UK. The Bank of England continues to have concerns over inflation the service sector due to above inflation salary increases and therefore have retained base rates at 5.25% since August 2023.

Despite the continued challenging economic environment the Group has continued to operate effectively, delivering quality services to its customers. The Group are proud of how the business and its people continue to provide vital services throughout this ever-changing and challenging economic and political environment.

The Group are delivering on the majority of its corporate priorities despite the difficult operating environment, but due to the finite resources available to the Group, the changes in operating environment has led to a revision of some of the Corporate Plan targets which will be restated during 2024/25.

The current challenges for both the Group and the Sector and how the Group has responded to these challenges are detailed below:

Rent Settlements

Like most Registered Providers, Homes Plus seeks to plan in the long term to provide resources to provide landlord services including management, maintenance and improvement of its existing homes, whilst committing to a development programme in support of the Governments targets for the construction of new social housing and ensuring that in part it meets the demand for new housing in the geography in which the Group operates.

In October 2017, the Government announced its intention to set a long term-rent deal for both Local Authority landlords and Housing Associations. This permitted annual rent increases on both social rent and affordable rent properties of up to CPI+1% from 2020, for a period of at least five years.

In August 2022, due to the increased cost pressures for social housing tenants the Government consulted the sector on what resulted in a rent cap of 7%. This proved to be a single year decision to move away from the long-term rent settlement which the Government subsequently decided to roll over by a further year until April 2026.

GROUP STRATEGIC REPORT (continued)

Customer Satisfaction

On behalf of the Group, a third party contractor, Acuity, carried out the 2022/23 Tenant Satisfaction Measures survey during Q4 which provided a base line of customer satisfaction, guided by the Regulator, one year before the requirement of this survey becoming mandatory as part of the new Consumer Regulations.

During 2023/24, the survey was carried out biannually, with 1,061 responses in total. The telephone survey is confidential, and the results are anonymised unless customers give permission to share their name and 76% of residents gave this permission and 96% of these customers were also happy for Homes Plus to contact them to discuss any issues they raised.

The aim of the survey is to provide data on residents' satisfaction, which will allow Homes Plus to:

- Provide information on residents' perceptions of current services
- Compare the results with previous surveys (where possible)
- Compare the results with other landlords (where appropriate)
- Use this data to inform service improvements and improve the customer experience
- Report performance to the Regulator

Benchmarking carried out by Acuity of just over 100 providers has shown that Homes Plus generally performs well against this group, and overall satisfaction with landlord services remained at 75% for 2023/24. Performance against these measures will be submitted to the Regulator by 30th June 2024.

Property Compliance

Property compliance is the Group's number one priority, with customer's welfare at the heart of everything the Group does.

There were two legislative changes that impacted on the Group during 2022/23.

1. The Fire Safety (England) Regulations 2022 made it a legal requirement from 23 January 2023 for responsible persons for all multi-occupied residential buildings in England with multiple storeys over 11 metres in height to undertake quarterly checks of all fire doors (including self-closing devices) in the common parts. This change in legislation impacted on the existing inspection program, where the Group undertook six monthly inspections on the individual flat fire doors. These quarterly checks of communal fire doors added an additional 672 inspection visits for the communal doors programme. This required additional resources from the Fire Risk Assessments team, who successfully delivered the program despite these imposed increases.

GROUP STRATEGIC REPORT (continued)

2. The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 came into force on 1 October 2022. Which required all relevant landlords to:

- Ensure at least one smoke alarm is equipped on each storey of their homes where there is a room used as living accommodation (This has been a legal requirement in the private rented sector since 2015).
- Ensure a carbon monoxide alarm is equipped in any room used as living accommodation which contains a fixed combustion appliance (excluding gas cookers).
- Ensure smoke alarms and carbon monoxide alarms are repaired or replaced once informed and found that they are faulty.

This legislative change had a significant impact on the Group, both financially and in resourcing. The Group were aware of the impending change in the regulation, but not the timescales. The Group were required to ensure it had CO alarms in 16,492 properties in very challenging timescales and failure to do so risked a £5,000 fine per occurrence. Additionally, supply chain's nationally struggled to keep up with demand, despite this the Group were able to procure large quantities of CO alarms from its own supplier base. The alarms were distributed to both the internal repairs team and gas service provider. CO alarms were fitted at every possible opportunity (annual gas safety inspection, gas repair visits, EICR inspections etc). Additionally, the internal repairs team diverted significant resources to provide a dedicated team to install at scale. Inevitably this impacted on other works, but the Group successfully completed on its legal duties which although unplanned at the start of the financial year, achieved a year-end performance of 99.51% for CO alarm installation and 99.86% shortly after.

Damp & Mould (Housing Health & Safety Rating System (HHSRS) Risk Number 1)

Health threats due to dust mites, mould or fungal including mental and social wellbeing health threats associated with damp, humid and mouldy conditions, with health effects of allergies, asthma, effects of toxins from mould and fungal infections is the HHSRS number one risk.

In November 2022, following the tragic death of Awaab Ishak in Rochdale from a respiratory condition caused by exposure to mould in his home, the Group saw a significant increase in the damp and mould cases being reported and subsequently managed by the Group's internal repairs team.

The Group are obligated by Government (and the Regulator of Social Housing) to declare its HHSRS cases and are now duty bound to address both category 1 & 2 hazards.

GROUP STRATEGIC REPORT (continued)

The Group are committed to improving its detection and management of Category 1 cases and as such during 2022/23 completed the following actions:

1. A halt in repairs MOT activities to release operatives to address the legacy HHSRS cases
2. Seconded Inspectors from other work streams to aid in the scoping and appraisal of the new cases

The Group's challenge is to gather the intelligence or implement systems to capture all HHSRS Failings.

To provide a more proactive response the Group approved its Damp and Mould Strategy in April 2023. This document provides an overview of the strategic approach the Group are taking to prevent damp and mould problems across its portfolio. From asset management through to customer awareness and support, it guides a 'changing culture', aligning with the recommendations of the Housing Ombudsman's spotlight report on Damp and Mould (2021).

The principles of the Group's strategy are:

1. Developing a proactive approach to maintaining our assets.
2. Balancing this 'fabric focused' approach with customer awareness and support, working together to ensure properties are well maintained, well-ventilated and heated.
3. Don't wait for the phone to ring!
   a. Find our less engaged customers (the 'thin files')
   b. Know our stock
   c. Make it easy for customers to engage with us and tell us about their concerns

Fuel Poverty/Cost of Living

Costs and inflation

The Group's costs are expected to rise over the coming years, in part due to the restated stock condition survey and business transformation costs alongside additional void costs, damp and mould issues, planned remedial safety works and its energy efficiency improvements to existing stock. Failure to manage the cost base effectively could impact on the Group's financial resilience, with reductions in cashflow, margin, and EBITDA MRI. The Bank of England inflation forecast reduces significantly during 2023/24, due mainly to reductions in the wholesale cost of energy, a fall in the price of imported goods as production difficulties businesses have faced start to ease and finally, as people have less money to spend, the Bank of England expects there to be less demand for goods and services in the United Kingdom.

GROUP STRATEGIC REPORT (continued)

To reflect the fact that this is still a forecast, and the continuing uncertainties surrounding any escalation of the war in Ukraine it is still considered relevant to consider the possibility of inflation remaining above the Bank of England target of 2% for some time to come.

The Group holds up to 40% (March 2023: 34%) of its debt at floating rates and therefore exposes itself to interest rate fluctuations. As current inflation forecasts are not being achieved, the Bank of England is expected to continue its interest rate rise policy further to regain control on its Consumer Price Index target.

The Group stress tests its Business Plan to high levels of inflation and interest to ensure it has mitigations in place so that it remains financially resilient as a business. The Group Business Plan is able to mitigate high levels of inflation, interest rates and considerable reductions in the open market value of its property sales portfolio, along with other stressors through its robust approach and high frequency of stress testing.

Energy Targets

The Corporate Plan 2022-25 'Progressive and Resilient Through Change' sets key net zero targets, including key targets for reaching EPC band C on all properties, in line with the UK Governments target of 2030.

The following key targets were set for the percentage of properties reaching EPC Band C or above by 2030 in each financial year:

1. 76.5% in 2022/2023
2. 79% in 2023/2024
3. 82% by 2024/2025

As can be seen in the ESG report for 2022/23 included within these Financial Statements, current performance is 83%. Although ahead of target, the group must endeavour, where possible, to secure funding to make the changes necessary to have all properties at Band C or above by the target deadline by committing the Groups resources within the business plan and securing external funding where available.

Within the next 3 years, external funding for fabric improvements will be critical to ensure the Group can work towards these targets, especially during the current turbulent economic climate.

If the Group are unsuccessful or are unable to source future funding for all carbon reduction initiatives the Group must be prepared to independently fund both fabric based and technological improvements to reach band C and net-zero targets.

As a not-for-profit organisation, the Group are searching, applying, and utilising as much funding as possible to ensure our customers receive the best work packages that involve the least disturbances within their homes. Unfortunately as already referenced within this strategic report, it must be remembered that annual inflation will impact on energy efficiency targets as well as other services.

GROUP STRATEGIC REPORT (continued)

In accordance with the Group's Asset Management Strategy, from a financial perspective, plans to reduce carbon emissions must come from detailed assessments.

When assessing a property, the Group considers:

1. The viability of retaining that property
2. The cost effectiveness of selling the asset
3. The acquisition of new assets of which have better energy efficiency and opportunities for improvement

Stock condition surveys have identified a price point of £800 per SAP point to carry out improvements (correct from 2021). In total this will result in a budget requirement of approximately £40 million to reach band C for all assets, and £200 million for the business to fully embrace net zero targets.

Over recent years, as decarbonisation has come to the fore, the Group has recognised its potential financial impact by making provision for additional expenditure in its business plan.

It is recognised that the actual cost to the business is still currently difficult to ascertain until scope and cost of the works required to meet the targets set are known.

The Social Housing Decarbonisation Fund (SHDF) offers £3.8 billion over a period of 10 years to reduce the carbon emissions from circa 4.1 million social homes in England (Department for Business, Energy, and Industrial Strategy, 2021). The aim of the Fund is to help Local Authorities and Housing Associations work towards achieving a Band C EPC for all their assets. Wave 1 of the fund took a 'fabric-first' approach, which the Group have adopted, conditional on the funding received

The Group is starting with a focus on the worst performing homes that currently hold lower EPC ratings. The Group entered two bids for the first Wave of the SHDF in 2021 to support fabric works on 124 of the worst performing buildings across its portfolio. The Group were successful with both bids, acquiring £1.24m in funding.

In addition, the Group are currently working towards the Government's net carbon zero target of 100% by 2050. The Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2019 has the effect that the minimum percentage by which the net UK carbon account for the year 2050 must be lower than the 1990 baseline was increased from 80% to 100%. The Group has included £567M (inflated) within its 2050 Business Plan.

GROUP STRATEGIC REPORT (continued)

Recruitment and Retention

The labour market remains competitive particularly for high demand short supply roles, notably: qualified construction, finance, and nursing staff. A fast-paced labour market has driven a need for improvements in end-to-end hiring times to secure available candidates. The new attraction strategy, #bemorehpg, has spotlighted the Group's core values, people and social purpose to strengthen their employer brand.

The Group came under their expected labour turnover target by six percent, by keeping a strong focus on employee engagement. There have been explicit interventions to grow and retain the Groups top talent, by identifying high potential employees and supporting them with targeted development. Seven percent of the talent pool were promoted, and a further eighteen percent have taken up secondment opportunities.

The Group modernised and refreshed their Total Reward offering by introducing a volunteering community day and a holiday purchase scheme. The continued delivery to local communities of apprenticeship opportunities will remain a core commitment in this Corporate Plan. Forecasted labour market challenges will continue to make attraction, retention, and development a top priority this year.

Development

178 property completions were achieved compared to the target of 303. The shortfall was due to delays with two land led developments and five S106 off-the-shelf schemes. The delay in the land led developments resulted from a combination of highways delays, sub-contractor liquidation and material shortages. The delays with the S106 off the shelf schemes were primarily the result of developers prioritising open market sales homes over delivery of affordable homes.

The Group is committed to developing and providing good quality affordable homes and creating attractive neighbourhoods where people aspire to live.

For the period 2020-2024 the number of new units delivered by the Group was:

Financial Year	2020/21	2021/22	2022/23	2023/24
Total Units	191	376	176	178

GROUP STRATEGIC REPORT (continued)

For 2023/24 the tenure split of these units was:

	Units	Cost	Grant
Design and Build:	**No's**	**£000's**	**£000's**
Social Rent	21	£3,885	£760
Affordable Rent	-	-	-
Shared Ownership	29	£5,403	£222
Outright Sales	35	£8,417	-
Total	**85**	**£17,705**	**£982**

	Units	Cost	Grant
Section 106:	**No's**	**£000's**	**£000's**
Social Rent	25	£3,640	-
Affordable Rent	43	£5,621	-
Shared Ownership	25	£4,300	-
Outright Sales	-	-	-
Total	93	£13,561	-

The Board approved a Business Plan in May 2024 that includes a further 720 units under the following tenures before March 2028:

	Units	Cost	Grant
Committed units:	**No's**	**£000's**	**£000's**
Social Rent	73	£11,943	£485
Affordable Rent	80	£10,456	£531
Market Rent	-	-	-
Shared Ownership	72	£12,937	£478
Outright Sales	103	£24,770	-
Total	**328**	**£60,106**	**£1,494**

GROUP STRATEGIC REPORT (continued)

	Units	Cost	Grant
Uncommitted units :	**No's**	**£000's**	**£000's**
Social Rent	221	£36,158	£10,650
Affordable Rent	37	£4,836	£1,783
Market Rent	14	£3,178	-
Shared Ownership	95	£17,070	£4,578
Outright Sales	25	£6,012	-
Total	**392**	**£67,254**	**£17,011**

It should be noted that the Group had exposure to outright sales during the year with 30 properties being sold producing a surplus of £573K (6.5% margin). The significant majority of committed outright sale units are at a single development being delivered through Severn Homes. This will deliver 131 outright sale units ahead of 2026. Considerable stress testing and mitigation costings have been modelled for this development, including break clauses, land sales, investment portfolios, tenure changes and purchase incentives. The Group continues to monitor this situation closely as there is early indication of a downturn in open market sales values in the region as developers seek to maintain market share through discounts and other incentives.

The Housing Plus Group Limited (Parent)

The Parent returned a surplus of £645K (2023: £288K) for the year. The turnover in the company is intra-group and results from it providing corporate services to the rest of the Group.

During 2023/24 the Transformation Project Team has continued its work on the implementation of a single housing management system and repairs system. The core modules of the new system have been built and configured and rigorous testing is now being conducted. A data migration team has been assembled and are working on multiple data cuts from the 3 legacy systems in to the new housing management system.

Although the costs of transformation are currently high, the benefits of the removal of the legacy systems and operating efficiencies are expected to start to crystallise during 2024/25.

The actuarial loss in respect of the pension scheme valuation for the year was £0.5M (2023: £1.7M gain) resulting in total comprehensive income for the year of £0.2M (2023: £2.0M).

GROUP STRATEGIC REPORT (continued)

Going Concern

The Board has assessed and approved the Group's 30-year Business Plan and the Groups financial forecasts. The business plan has been subject to various stress scenarios, including the severe but plausible downturn scenarios of such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, downturn of the UK housing market or other adverse operational issues. Based on our projections, we believe we will meet all covenants and liquidity requirements. Notwithstanding the net current liabilities of £7m for Homes Plus (Group £16m net current assets) has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for at least 12 months. Homes Plus has access to undrawn facilities of £28.5m.

In terms of the non-registered subsidiaries, only Care Plus and Severn Homes carry out significant trading on a commercial basis outside of the Group. Demand for Care Plus services outside of the group. Care Plus produces a 5-year business plan annually which is reviewed by the Care Board and a formal loan agreement exists between Homes Plus and Care Plus which guarantees support until 2030. Severn Homes has returned a loss during the year due to the timing of its only development build period versus its sales period. Currently the sales within Severn Homes relate to golden brick payments from Homes Plus for the affordable homes developed and outright property sales, which although behind budget in number are achieving higher sale values than expected. Severn Homes has a formal loan agreement with Homes Plus which guarantees support until 2030. The Wrottesley Park development is stress tested on a regular basis to ensure it remains financially viable and mitigating actions are under constant review by both Board and Executive Team.

Short term cash flow is monitored daily for all group entities and on a consolidated basis. Cash flow variances are investigated and the information is used to update and improve cash flow forecasts. The Group has maintained liquidity in line with its Treasury Policy throughout 2023/24.

Longer-term liquidity is reviewed on a monthly basis and reported to the Group Board on a quarterly basis, covering an 18 month planning horizon. Again, this process encompasses all Group entities. Latest forecasts demonstrate clearly that the Group and all subsidiaries have sufficient liquidity to cover the period of investment until July 2028 when the Nationwide Revolving Credit Facility ends. .

As such, the Board concludes that the Group, and all subsidiaries, remain going concerns. The Board remains satisfied that the Group, taking account of severe but plausible downsides, can continue operating as a going concern, being a period of at least 12 months from the date of signing these Financial Statements. The accounts have been prepared in the reasonable expectation that the Group and all subsidiaries are financially viable.

GROUP STRATEGIC REPORT (continued)

Risks and Uncertainties

The Corporate Strategy both informs and takes account of the Group Board's Risk Appetite and Tolerance. In its Risk Appetite Statement, the Board articulates that it requires the following key risk objectives to be delivered on a consistent basis:

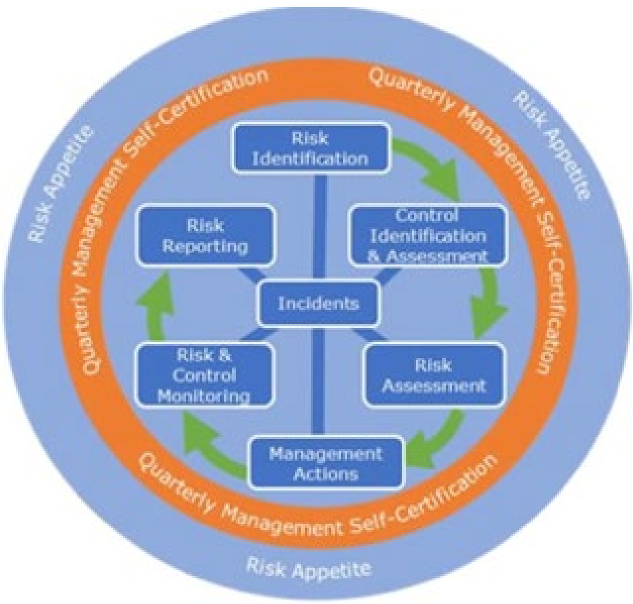
- Maintain Business Resilience (operational capacity and capability)
- Maintain Financial Viability
- Ensure the safety of our staff, contractors, and customers, always
- Maintain compliance with all applicable legislation and regulatory requirements
- Proactively adapt to, and where possible influence, Government or Local Authority decisions that affect our business
- Ensure effective processes, people, and systems are in place to allow effective and efficient achievement of our corporate aims and objectives.

These objectives cumulatively aim to provide the platform for delivering sustainable, organic growth over the longer term, while seeking operational efficiencies to control cost.

The Group has an active and clear approach to Risk Management – documented in the Risk Management Framework & Policy.

The Group regards effective risk management and the provision of assurance, based on a 'three lines of defence' model, as critically important to ensuring the achievement of our objectives.

Effective identification and management of risk supports the Group in meeting its legal and regulatory obligations, increases external and internal stakeholder confidence, and greatly reduces the chance of adverse incidents affecting our business.



Risk Management Cycle is a set of activities that allow for risks to be identified, recorded, assessed, managed, monitored and reported, using a methodical approach

Following the defined cycle allows for the population and refresh of the Group Key Risk Map, with the Key Risk Map providing the data that is analysed for the purpose of understanding the Group's risk exposures and providing assurance reporting to the Audit & Risk Committee, and boards as appropriate.

GROUP STRATEGIC REPORT (continued)

All Boards within the Group recognise that risk and assurance is not an area for which Boards alone are responsible. The Group is mindful that risk should be understood, assessed and managed across all levels of the organisation. Regular meetings take place with staff to discuss risk management in their specialist areas which includes identifying emerging risks and how these will be either eliminated or controlled and enables the updating of Group risk and assurance maps, that include key controls to manage the risk, set out who is responsible for the control and how assurance is gained over the control effectiveness.

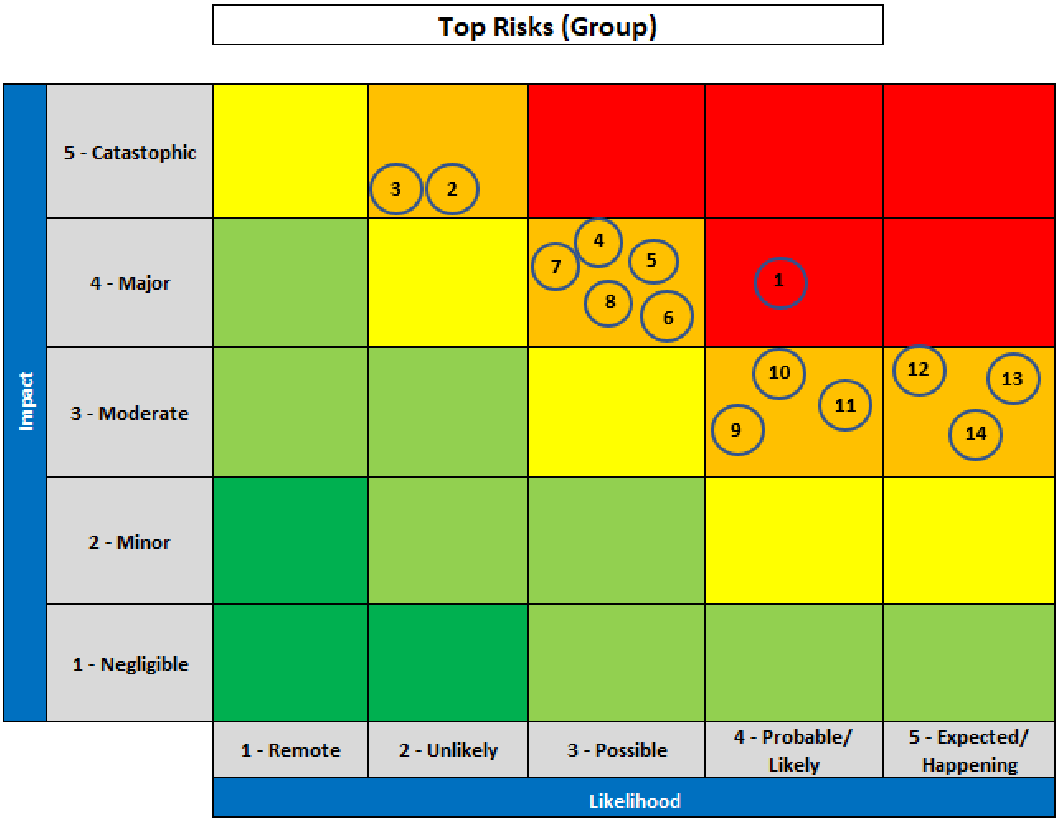
All reports presented for discussion at all Board meetings include an assessment of risk and provide assurance on how this is or will be controlled. Specific risks that may prevent the Group achieving its objectives are considered and reviewed quarterly by the Audit and Risk Committee. All risks are analysed according to their impact and likelihood as set out in our risk assessment matrix.

The highest scoring risks for the Group as at 31 March 2024 were:

Ref	Risk Description
1	Care Plus (future) surplus generation
2	UK wide/global external event
3	Cyber risk
4	Damp and mould
5	Data Management
6	Meeting Housing Ombudsman expectations
7	Failure to maintain properties to a good standard
8	New build schemes delivery
9	Maintaining expenditure within agreed budget levels
10	Major projects delivery
11	Complaints Handling
12	Responsive Repairs performance
13	Delivery of domiciliary care in the community
14	Failure to manage rental income, voids and/or rent arrears effectively

GROUP STRATEGIC REPORT (continued)

The heat map below presents these 14 risks based on their impact and likelihood:



The Group recognises the importance of not only identifying risks with a high current 'net' score but also those that are inherently high risk but are mitigated by controls.

Controls in place to mitigate identified risks include Board review of Business Plans, stress testing, monitoring of delivery plans, key performance indicators, comprehensive health and safety policies and procedures and internal audit reviews.

The Group Audit & Risk Committee, in accordance with its delegated responsibilities, acts on behalf of all members of the Group, liaising with them and ensuring that each Board in the Group receives assurance that the controls that mitigate the risks can be relied upon through regular checks by the Internal Auditors or specialist independent companies.

Regular Risk Management assurance reports are provided to each Board within the Group on a six-monthly basis, and by way of additional assurance, overarching risk management/internal control reports are provided to Group Board by the Executive Team and the Group Audit and Risk Committee on an annual basis.

GROUP STRATEGIC REPORT (continued)

Value for Money ("VFM") 2023-24

The Housing Plus Group (HPG) is constantly reviewing how every part of our business can deliver more value for money. Since the pandemic in 2020 the whole country has faced many challenges. In the housing sector, we have been trying to deliver VFM in the face of high inflation leading to higher interest rates. We have been supporting our customers and staff through a cost of living crisis, and protecting our customers by delivering safe homes.

HPG recognise that there is a greater need than ever to invest in our homes and communities, to listen and respond to our customers needs and priorities. To support this need and deliver customer satisfaction, it is increasingly important that we provide VFM so that the Group can be efficient, effective and economical.

A revised Corporate Plan for the period 2024-26 **Progressive and Resilient Through Change** has been launched which responds to this significantly changed and challenging environment. Our key corporate objectives remain the same; Homes, Lives and Communities, and Business Resilience – but with a real focus on delivering what our customers want, investment in our assets and delivering new integrated IT systems to aid service delivery.

Current tenant arrears performance for the Group is excellent falling from last year's figure of 1.9% to 1.58%. This is ahead of target and top quartile against our peers, the national average is 5.3%.

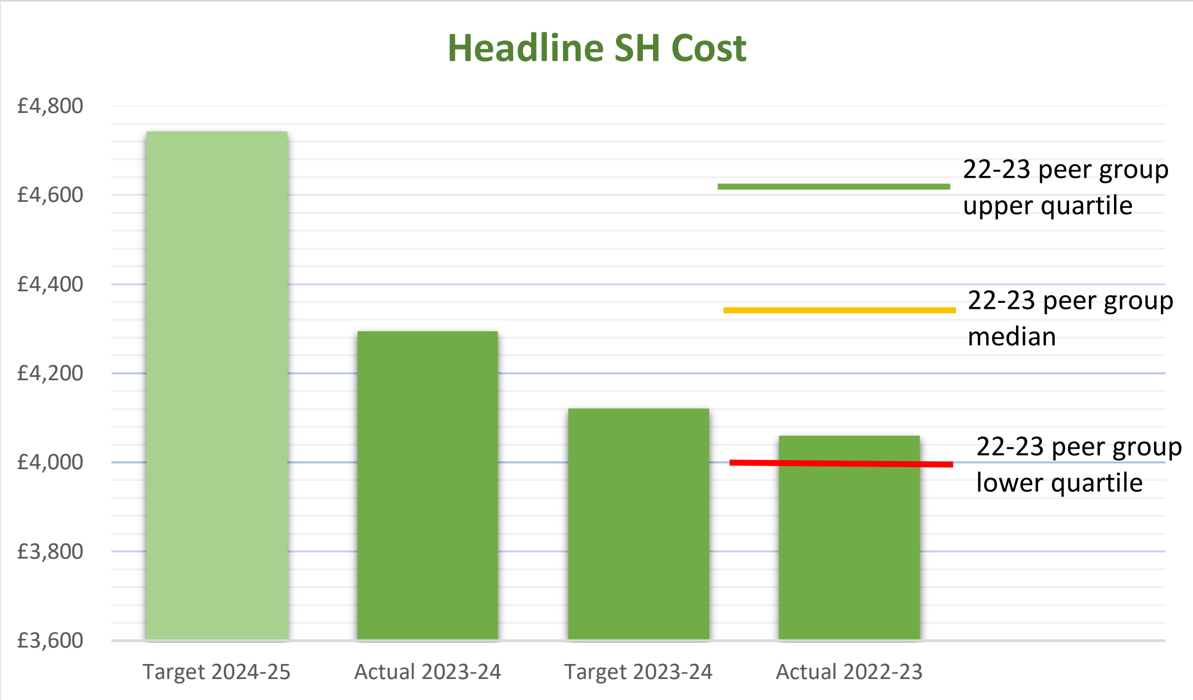
The increased volume of enquiries and repairs regarding damp & mould have led to the business plan being changed during the year. Resources were diverted away from planned works such as fitting new kitchens to set up a new team to concentrate on prioritising the remediation of damp and mould cases. Whilst necessary, this change has had an impact on some of the metrics below, including re-investment and headline social housing cost per unit.

VFM Performance 2023-24 and Peer Benchmarking

The information below details HPG's performance for 2023-24 against the Regulator for Social Housing's (RSH) seven VFM metrics. These results are also compared against our peer group – this is 18 Registered Providers (an increase of four from 22-23) who are traditional or stock transfer (LSVT) organisations with 15,000 – 25,000 units. Registered Providers (RPs) based in London and RPs with more than 30% supported housing have been excluded from the peer group due to their higher cost bases.

GROUP STRATEGIC REPORT (continued)

Headline Social Housing Cost



Headline social housing cost per unit has increased by 5.5% from £4,060 last year to £4,282 in 2023-24. Routine maintenance and major repairs were £4.45M above budget in the year. A decision was made by the Board during the year to pause the kitchen replacement programme to focus the Property team's resources on dealing with the rapidly escalating number of reported damp & mould jobs. A Priority Repairs Team has been established that is dedicated to dealing with damp & mould and complaints in our customers' homes.

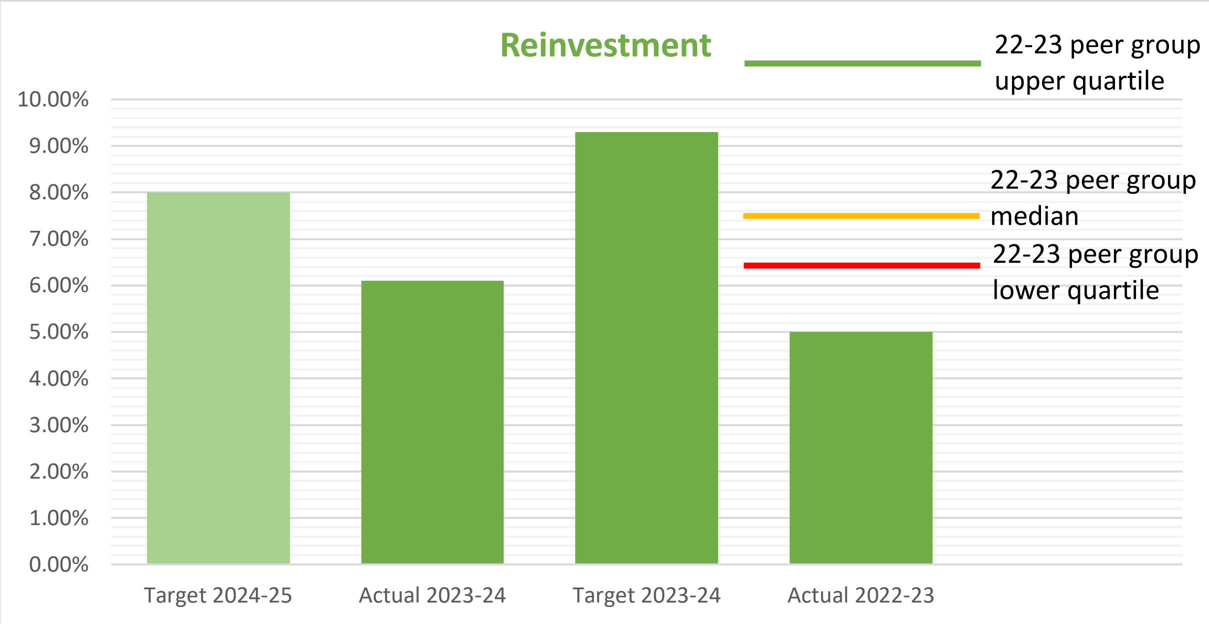
Void repair costs have also increased. Following consultation with customers a new Quality Standard was introduced with the result that the cost of bringing voids up to the new standard has increased. This quality shift and related investment will deliver homes of a high standard for our customers which in turn it is anticipated will reduce costs in areas such as responsive repairs, complaints and tenancy sustainment.

Housing unit costs were towards the lower quartile of our peer group median for 2022-23. The peer group median increased to £4,327, the Group's unit cost was £4,060 demonstrating that in times of high inflation the Group was able to control costs well.

The Board has approved a 9.5% increase per unit in the Business Plan for 2024-25. We are investing more in our properties, increasing the number of roof replacements, and kitchens.

GROUP STRATEGIC REPORT (continued)

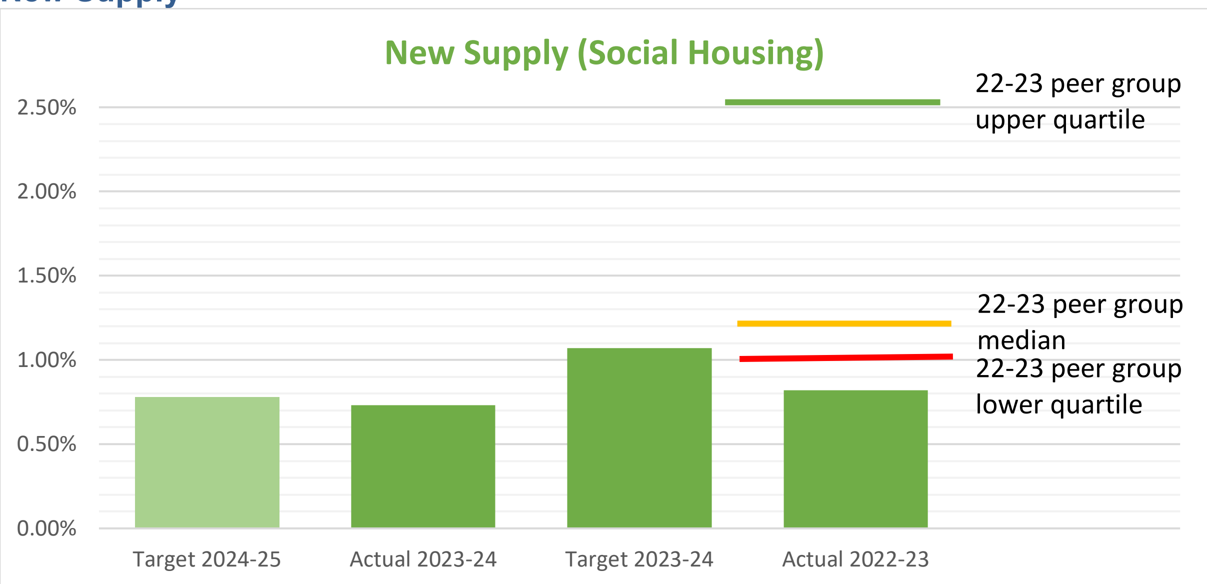
Reinvestment



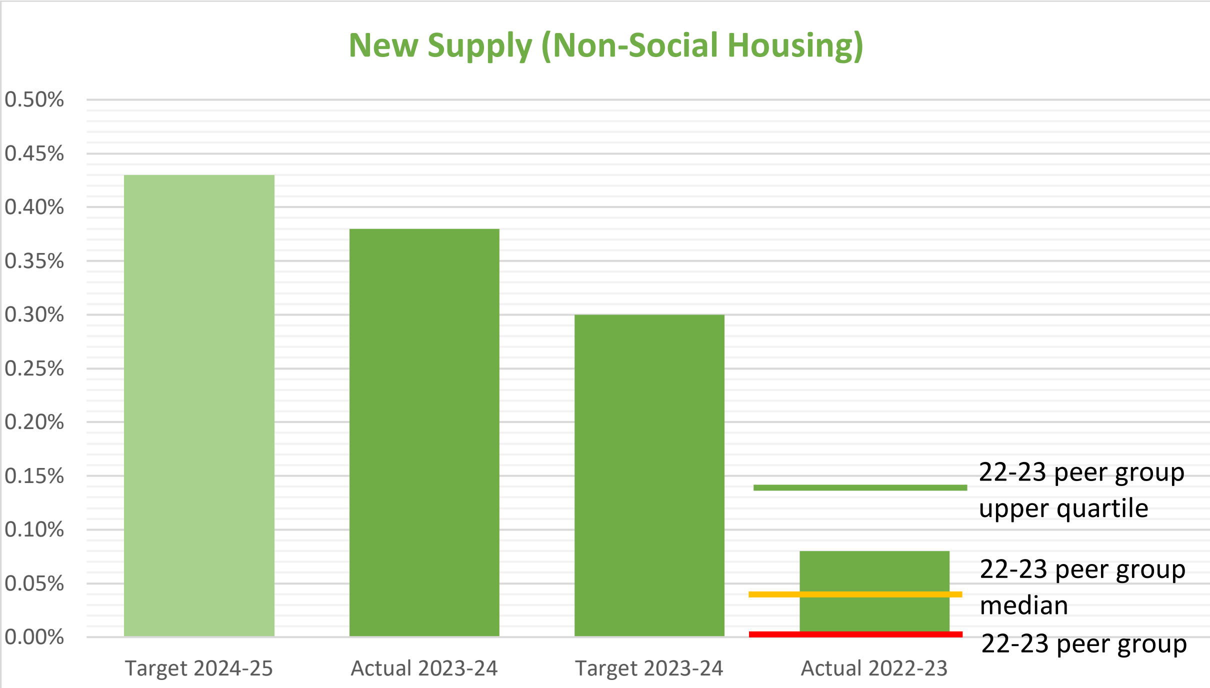
Reinvestment for 2023-24 was lower than target, achieving 6.1% against a target of 9.3%. The main reasons for this are due to the reduction in the number of new homes completed against forecast, and £1.3M underspend on planned works mainly due to pausing the kitchen replacement programme for 6 months due to moving resources to deal with damp and mould.

Last year's performance of 5% was in the lower quartile of the peer group median. This reflects the underperformance in 2022-23 mainly due to infrastructure delays at the Wrottesley Park Road development scheme which led to less new housing completions than planned. A reduction in planned works towards the end of that year due to damp and mould remediation works and the fitting of CO alarms in 100% of our customers' homes also had an effect on this metric.

New Supply



GROUP STRATEGIC REPORT (continued)



The Group has built or acquired 143 new social housing properties during the year. The target of 211 homes was not met, mainly due to the Wrottesley Park Road scheme being delayed due to the entrance road not being constructed in original timescales because of delays by the Highways Authority which meant that sales and lettings could not begin. Since the entrance road has been completed, sales have been going well, exceeding forecast and selling at higher margins.

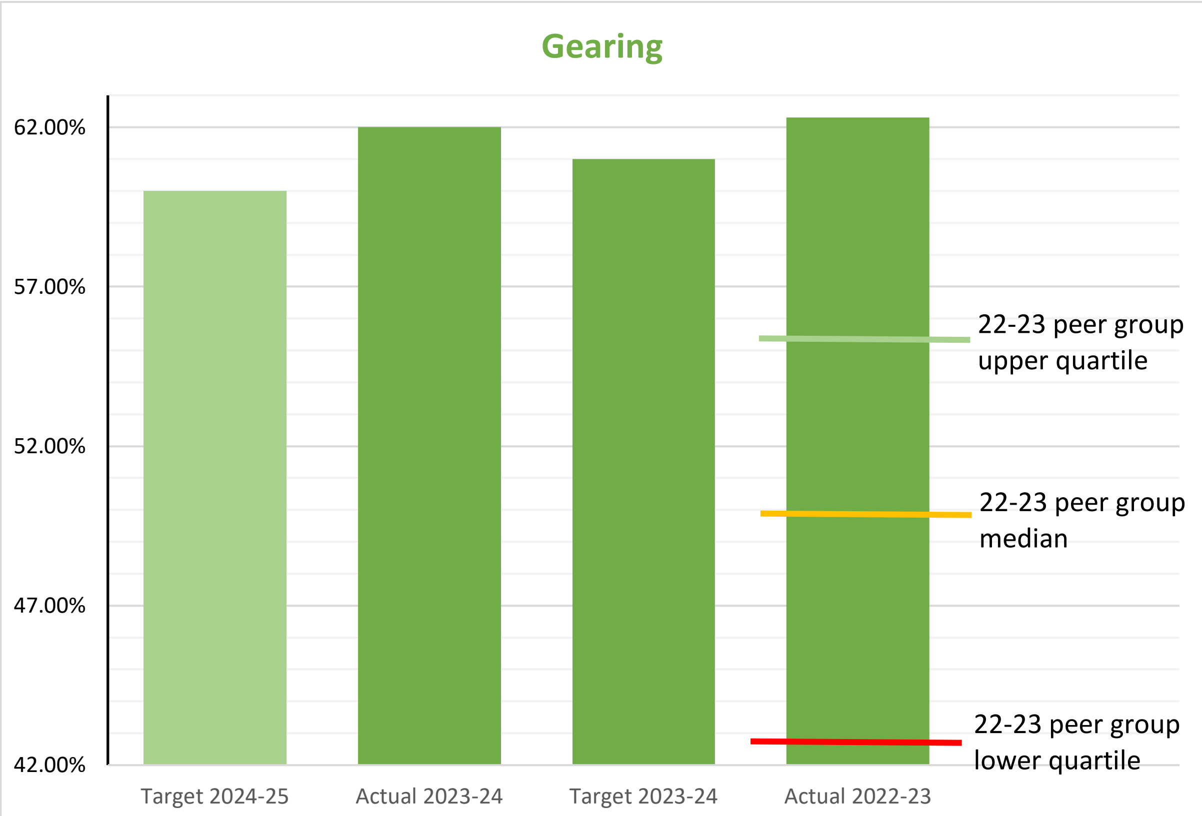
35 new non-social homes have been completed, most of which are part of the 220 unit Wrottesley Park Road site in Perton. The market sale and shared ownership properties are selling well. This allows the site to be financially viable and creates a sustainable, mixed tenure development which is attractive for tenants and homeowners to live in. Customers are impressed with the high specifications and generous layout of the development. All homes on the site, whatever tenure, have been specified with energy saving air source heat pumps and under-floor heating.

Development of social homes in 2022-23 was in the peer group lower quartile, site delays and a development contractor going into administration led to the development programme being below forecast.

GROUP STRATEGIC REPORT (continued)

The Group has relatively high gearing compared to its peers due to being a LSVT with higher debt levels. The Group has an appetite to use our capacity to continue developing new properties to fulfil the demand for affordable housing. The delivery of market sales and shared ownership properties to cross-subsidise the building of affordable housing for social rent has seen the Group above the median for this metric, just over half of the peer group of eighteen have developed non-social housing.

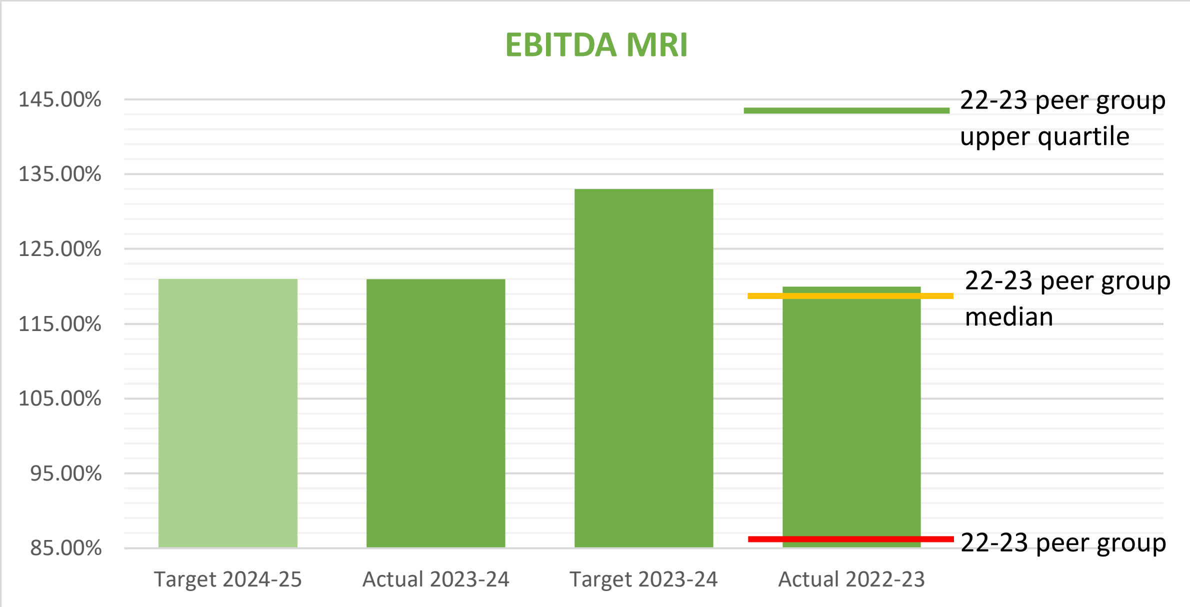
Gearing



This metric assesses how much of the adjusted assets are made up of debt and degree of dependence on debt finance. It is often a key indicator of a Registered Provider's appetite for growth. Gearing is above target for 2023-24, this metric tends to consistently sit in the upper quartile for our peer group. This reflects factors such as the value of properties at transfer and the amount of investment in those properties, and the continued commitment to develop new homes.

GROUP STRATEGIC REPORT (continued)

EBITDA MRI

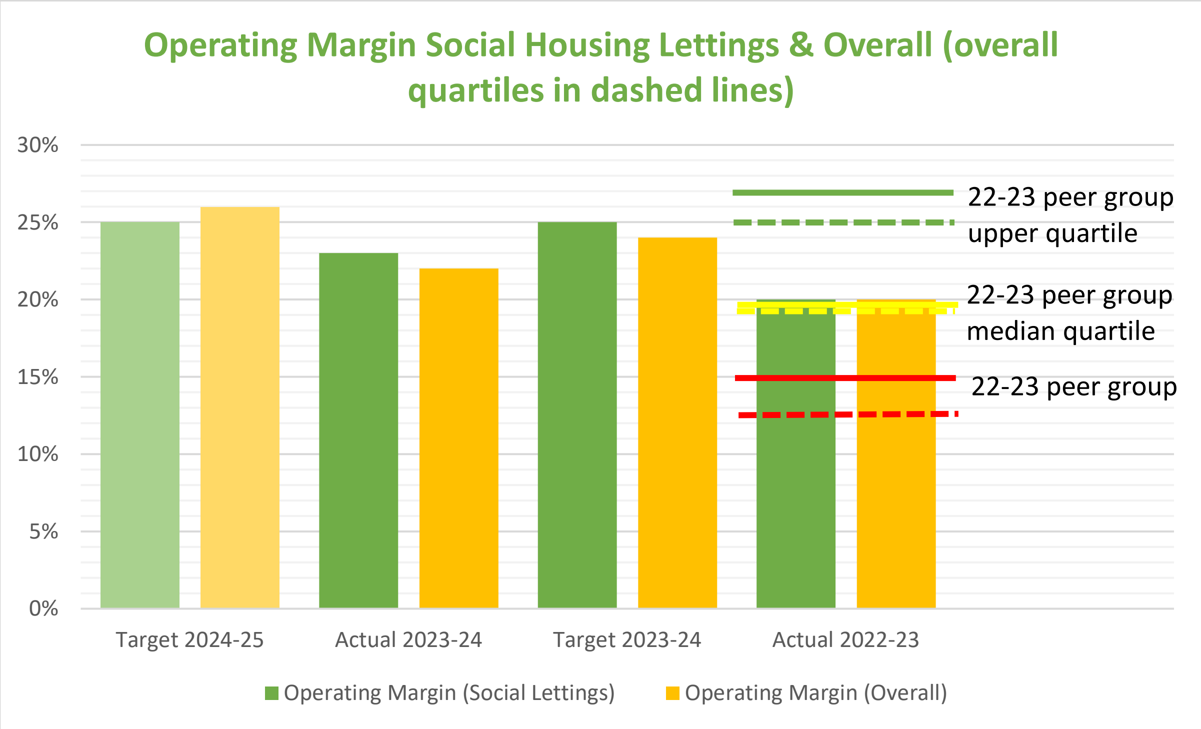


The EBITDA MRI interest cover (Earnings Before Interest Tax Depreciation and Amortisation Major Repairs Included Interest Cover) is a key indicator for liquidity and investment capacity. This ratio measures the ability of businesses to generate cash. EBITDA is below forecast, this reflects the increase in operating costs, including IT investment in a new housing management system (1HMS), increased service charges and property repairs and maintenance. The figure is within our funders covenant requirements.

The EBITDA figure for 2022-23 was just above the median for our peer group. This demonstrates our track record of delivering new homes, and investing in existing stock supported by higher gearing. The Group have secured additional funding in April 2024, which will enable continued investment in new homes and our existing stock for the future.

GROUP STRATEGIC REPORT (continued)

Operating Margin



Overall operating margin is 1% below target at 24%, this has been affected by:

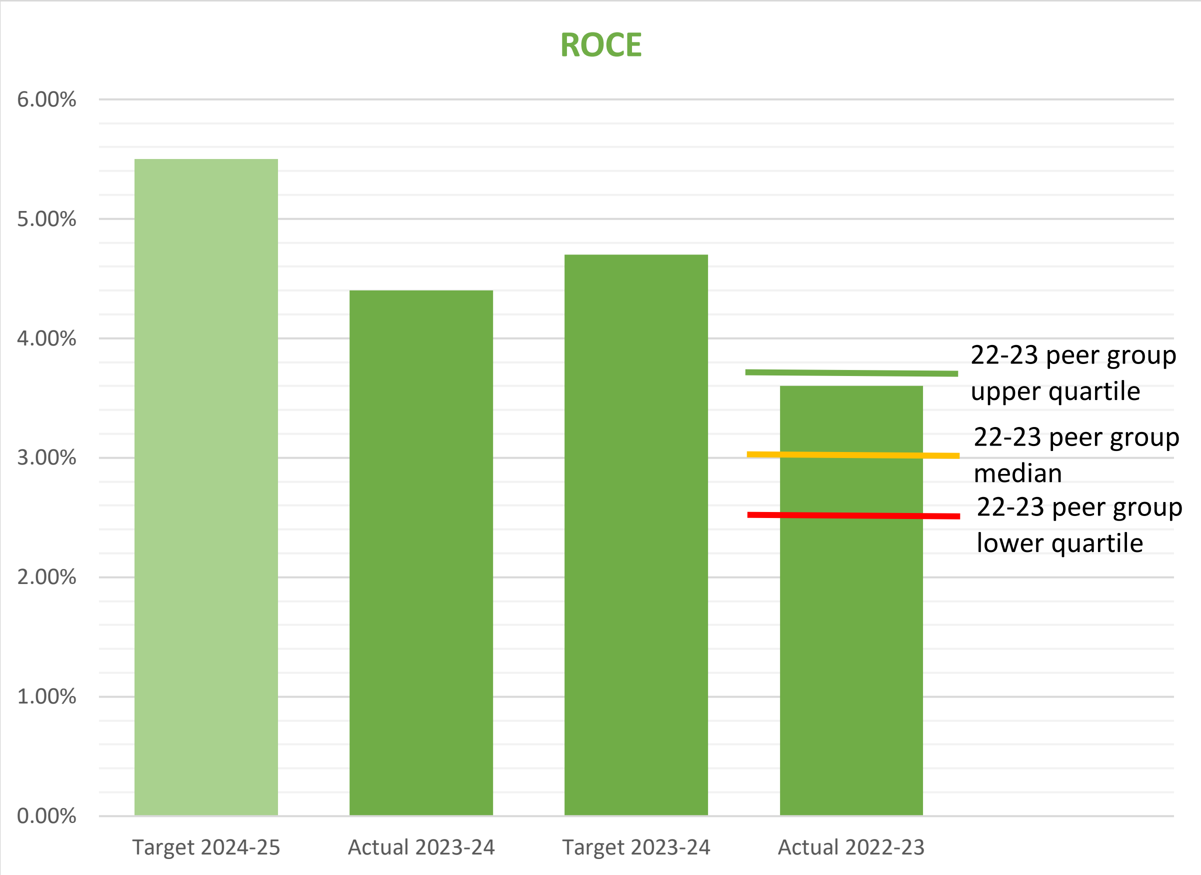
- Income for rent and service charges being lower than forecast due to delayed completion of new developments.
- Increased repair and maintenance costs of £3.5M due to increased damp and mould works, and a 10% increase in responsive repairs.
- A new higher void standard has been implemented, which has increased void costs.

Social Housing Lettings operating margin was 23%, reflecting higher that forecast expenditure particularly on repairs and maintenance and the delay in new rental properties being delivered.

The peer group indicators shown on the graph are for Social Housing Lettings for the 2022-23 period, the Group were 1% above the average peer group surplus.

GROUP STRATEGIC REPORT (continued)

Return on Capital Employed (ROCE)



ROCE is 0.3% below target for 2023, some delays in the development programme and some higher than forecast repair and maintenance costs in the year have arisen to reduce the backlogs of exceptional demand for repairs and damp and mould enquiries. Although the Board have approved a reduction in the development programme of 14% over the next 5 years, the Group is still committed to developing new homes to meet customer demand which means this level of return will continue as we invest in new stock.

In 2022-23 the Group's ROCE was close to the upper quartile for our peer group. This demonstrates efficient investment of capital resources, we continue to invest in our assets to meet the Group's strategic objectives.

HPG VFM Metrics

In addition to the mandatory metrics above, the HPG Group Board also agree and monitor specific HPG VFM metrics which are reported to Group Board on a bi-annual basis. The Board have recently approved a new VFM Strategy which highlights the importance of providing VFM by achieving our corporate objectives. This strategy is aligned with the new revised Corporate Plan for the period 2024-26 - **Progressive and Resilient Through Change**.

Some of the Metrics have been updated in the table below to align with the new corporate plan for 2024-25, where this is the case the old metric is identified in italics for reference.

HPG Metrics 2023-24					**Comments**
Metric	**Target 2024-25**	**Target 2023-24**	**Actual 2023-24**	**Actual 2022-23**	
Homes					
New homes provided to meet identified housing need *Complete 225 new homes*	224	270	218	176	See Development section below.
Continue to be a sector leader in property compliance *Achieve 100% compliance against all regulatory and legislative requirements*	100%	100%	99.64%	99.32%	Some of the six areas of compliance such were slightly below target based on the average KPI for the 12 month period. See below for more details.
Lives & Communities					
Implement a Quality Strategy to improve customer experience and service quality *Implement the Customer Engagement strategy for improving the customer experience and service quality*	Deliver Customer Engage-ment Strategy	Approve & start to deliver strategy		Customer Engage-ment Strategy approved by Board and launched	The Quality strategy has been superseded by the Customer Engagement Strategy which was approved by Board in May 2023, and is being delivered.
Voids loss (including rent loss, void repair costs and utilities) *Not in corporate strategy 2024-26 – BAU*	Business as usual	£5.9m	£6.6m	£6.1m	The new quality standard for voids has led to longer key to key times which has increased the cost of voids but will deliver better quality homes and increased customer satisfaction resulting in less voids in the long term.
Overall customer satisfaction with landlord services	80%	80%	75%	75%	Customer satisfaction remained static during the year, not achieving the target of 80%. This detailed survey data is being used by our Customer Experience Team to identify areas of priority, which will be tracked and monitored via the TSM service improvement tracker.

HPG Metrics 2023-24					Comments
Metric	**Target 2024-25**	**Target 2023-24**	**Actual 2023-24**	**Actual 2022-23**	
Overall satisfaction with resident living services	95%	90%	89%	89%	Although customer satisfaction levels are high, they have not met the aspirational target of 90%. Working closely with customers, Care Plus have identified several areas where the service can be improved further.
Achieve £2.4m in savings and additional benefits for tenants by the employment and money advice team	£2.8m	£2.6m	£3.4m	£2.83m	3,139 customers have accessed the service this year, an increase of 30%.
Establish a new community hub *Promote 3 community hubs to customers, stakeholders and staff as friendly providers of advice, support and IT accessibility.*	3	1 new hub launched	1	0	Burton Square community hub opened in July 2023 and has welcomed over 1,000 customers since then. The new corporate plan has approved a trial of a flexible model, utilising partner agencies sites which suit the geography of the area.
Business Resilience					
Maximise rental income through effective collection and financial support	3% or less	3% or less	1.58%	1.9%	Arrears performance is very good, improving from last year's excellent result.Top quartile performance. National average arrears has increased from 4.7% to 5.3%.
Develop a consistent strategy to service charges *New Tenant Recharge Policy to identify services provided to ensure they are charged accordingly.*	Project replaced on new Corporate Plan	Conclude by April 2025		New for 2024-25	Service charge project on hold until the 1 Housing Management Project is complete to ensure adequate resourcing. Replaced on corporate plan with Tenant Recharge Policy including developing a system for recharging and collecting costs for work that tenants are responsible for.
Develop and deliver ESG strategy *Not in corporate strategy 2024-26 – BAU*	Business as usual	Deliver Strategy		Strategy approved	ESG strategy has been approved and is being delivered as business as usual.

GROUP STRATEGIC REPORT (continued)

VFM performance against our objectives

A new Corporate Plan was launched in 2022: **Progressive and Resilient Through Change.** The Group's VFM Strategy is to achieve VFM by delivering our Corporate Plan objectives. The plan has been revised for the period 2024-26 to reflect the significant changes and challenges being faced within the sector we operate. It can be seen from the results against the VFM metrics, and the narrative below that the Corporate Plan targets have been very challenging to meet. In some cases targets have not been met. The Board have reviewed our future capacity, priorities and achievable ambitions to ensure focus on what our customers want; investment in homes, and delivery of systems and services which are efficient and effective.

HOMES

Providing quality affordable homes to meet identified housing need.

Development

The development programme was 125 homes behind the original target for completions in 2023-24. This was due to several factors, the main reason being a reduction in the agreed development programme during the year to offset increased expenses re: damp and mould and other repairs and maintenance. Other delays include planning delays to the entrance road to the large Wrottesley Park Road site, and the prevention of social housing units being occupied at another site due to a delay in the contractor completing their s106 obligations. Although some developments have been delayed, they are still achieving net present values (NPV) far in excess of the business plan assumptions, increasing profit which considerably offsets any rent loss due to delays. Market sale properties are selling well, the property sales and lettings teams have sold or allocated new homes in impressive times once the properties have become available.

Compliance

Compliance is a critical corporate objective for Housing Plus Group. Across all six main compliance activities the Group achieved an average KPI score of 99.6% compliance for 2023-24. The team have submitted the latest fire and building safety data to the regulator which has been signed off. For fire rated doors in buildings over 11 meters the inspection target is four inspections per annum. As at the end of Q4 100% of all doors in blocks over 11M were inspected (2,696). For doors in blocks below 11M the target is to inspect twice per annum. These inspections also achieved 100% to the end of the financial year. 1,629 new fire doors were installed during the year, exceeding target. The overall target of 100% compliance was missed by 0.4%, there are several reasons for this including ongoing legal procedures to gain access, and a lift which had to be taken out of use after failing safety inspections, therefore being grounded. The Board are kept up to date with compliance matters to ensure the focus is maintained on keeping our customers safe and secure in their homes.

GROUP STRATEGIC REPORT (continued)

A new damp and mould KPI dashboard has been introduced to give Board oversight of how the Property and Compliance Team are dealing with this important issue ahead of Awaab's law being introduced. KPI's include:

- Telephoning the customer within two days of receiving the enquiry to arrange an inspection.
- Completing the inspection within seven days of first receiving the enquiry.
- 100% of initial mould treatment started within seven days of inspection.
- 100% of root cause follow on works started within 17 days on inspection.

Asset Management

The Group approved a new Asset Management Strategy in 2022-23 that was driven by a large external stock condition survey which detailed the approach the Group would take to managing its assets. Since the approval of the strategy, the sector and the Group has faced several challenges which has led to some decisions to move away from some elements detailed in the strategy. Financial constraints include additional spend in response to, fire doors and compartmentation, damp and mould remediation works, increase in customer complaints and complex disrepair resolutions and legal costs.

The Group have been successful in bidding for over £5M of social housing decarbonisation funding to upgrade around 550 homes to SAP band C. 84% of properties achieve SAP C, ahead of the target of 79%.

Properties are disposed of when they will cost more to upgrade to a satisfactory standard than the long term rental yield. In 2023-24 11 properties have been sold, yielding a £1.5M revenue. The budget for 2024-25 allows for a further 30 units for disposal to ensure our assets are being used effectively.

LIVES & COMMUNITIES

Delivering effective housing and care services that customers trust and support our customers and communities to achieve their goals.

Voids

The void loss target has been missed for 2023-24, the main reasons for this include an increase in spend on voids to meet the new Quality Standard. Some voids are now completely decorated to ensure that our customers are moving into a quality, comfortable home which will help to reduce void turnover. This has increased the time it takes to turnaround a void which increases the void loss. The team are working closely to improve these times whilst maintaining the new standards. This metric is not in the new Corporate Plan as it has become a business as usual target, so will be removed from the VFM metrics for 2024-25.

GROUP STRATEGIC REPORT (continued)

Customer Satisfaction - complaints performance and service improvement

Complaints enable the Group to understand customers expectations and form a significant part of the Customer Engagement Strategy. The above table shows that the Group have high aspirational targets for customer satisfaction of 80% for general needs and 90% for residential living (housing for older people). How the Group learns from complaints and service improvement has a direct effect on customer satisfaction.

Stage 1 complaints increased by 25% in 2023-24, the top 5 reasons for complaints were; failure to carry out repairs, failure to resolve damp and mould, delays in resolving issues, poor workmanship and customer communication. Actions to reduce these types of complaint in the year include, increasing resources in Property Plus to manage the demand of repairs to meet agreed timescales. An increase in resources for damp and mould rectification works has also been approved for 2024-25.

A new approach to resolving customer complaints has been developed and a centralised Customer Advocacy Team has been created. Dedicated Advocacy Officers will work with each customer to find a resolution to their concern which is reasonable to both Homes Plus and the customer. This initiative will improve response times and resolutions, which will help reduce complaints being escalated to stage 2. The Customer Advocacy Team will use customer feedback to understand why complaints escalate and work with the business to highlight areas for improvement to prevent future complaints. HPG's Service Improvement Committee meet fortnightly to understand and resolve complex Stage 2 cases, helping the business to understand and take responsibility for not meeting customer expectations and learning from this to improve the customer experience.

Other improvements which have been developed from this approach include:

- Reviewing and improving our damp and mould process, supporting them in prevention where possible.
- Messaging to customers asking them to 'bear with us' during this unprecedented time of demand.
- A new Priority Repairs Team formed to solely manage damp and mould repairs and maintenance.
- New Customer Experience sub-committee of the Homes Board, helping to review complaints performance, analyse root causes and develop service improvements that will improve the customer experience and reduce costs involved with dealing with complaints in the long term.

GROUP STRATEGIC REPORT (continued)

Money and Employment

The Employment and Money Advice Team have exceeded their target again for 2022-23. They have helped our customers make savings or receive additional financial support amounting to £3.2M. The Burton Square Hub opened in July 2023, slightly later than planned due to construction works, however the hub has welcomed over 1,000 customers since to assist with digital inclusion, training and money advice. The team have been given the go ahead to set up a trial of 3 flexible hubs in 2024-25 across the South Staffordshire region, working with partners to uses established spaces within the communities we want to reach such as libraries and fire stations.

The Group has again achieved more than the target for sponsoring 20 apprenticeships this year. This year 24 apprenticeships have been utilised throughout the Group, this is likely to increase in future years as we encourage our staff to upskill in line with the new conduct and competency standard for the housing sector.

BUSINESS RESILIENCE

A financially strong, well governed Group; with skilled and motivated people, transformational IT and reliable data, able to respond to the changing environment.

Current tenant arrears ended the year with an excellent result, 17% better than last year at 1.58%. The income Team work closely with our Money and Employment Team to help customers sustain tenancies and reduce costly enforcement action. This aligns with our Corporate Plan objectives to maximise the Group's income and enhance customer resilience and wellbeing through financial and employment advice and support.

The project to move from three legacy housing management systems into one new system for the Group has seen some challenges this year. There have been more data quality challenges than originally envisaged. This has led to a change in how the project is delivered, with intensive testing and check points to set an achievable 'go live' date for the business to move over to one system. One of the key tenets of the new Corporate Plan for 2024-26 is a focus in the delivery of the new housing management and property systems to drive greater business efficiency, support better informed decisions and deliver better services for customers.

An initial review of the service charge project has identified that this will be a significant project requiring dedicated resources which the Group doesn't have until the 1-HMS project is delivered. This project has therefore been replaced in the Corporate Plan with an intermediate project to deliver a new Tenant Recharge Policy during 2024-25. This policy will ensure that services are recharged and systems are developed to collect costs for works that are tenants responsibility to cover.

A new IT Strategy has been approved this year, with a focus on delivering the 1-HMS, simplifying the IT environment and cyber security. VFM will be achieved by reducing the number of systems used and bringing the IT service desk in-house which will reduce costs and enhance service.

GROUP STRATEGIC REPORT (continued)

During the year a new chatbot, Chatticus, has been introduced to customers. Chatticus allows customers to contact us in different ways which are convenient and accessible for them, including multiple languages. Since being introduced in November 2023, over 12,000 customers used the chatbot, with 2,800 of these contacts being resolved via the chatbot or 'live' chat. This is 4% of total calls into the Customer Service Centre, which is above the business case efficiency target of 3%.

The Group's ESG Strategy has been approved, and is now being delivered as business as usual. The metric will be removed from the HPG VFM metrics for 2024-25, to be replaced with specific measures such as reducing the percentage of properties which are achieving SAP band C or less, and improving social value for our customers, suppliers and staff.

Procurement

The Procurement Team have replaced a vacant post with two apprentices during 2023-24, helping to support the Group with the transition to the new Procurement Act regulations in October 2024.

Energy Procurement

Over the past 3 years the Group and customers who pay for communal energy have benefitted from £3.5M in cost avoidance due to fixing record low energy prices in 2021 during the pandemic. New electricity contracts have now been fixed for October 2024-26 period which are only 13% higher than the previous very low costs which is an excellent result considering how high the market prices for energy have been during this period of high inflation and energy costs.

Property VFM Savings

Savings of over £400K have been made for Property Plus during 2023-24. Major savings include £118K by simplifying fire door designs. The team have worked closely with Jewson Partnership Solutions to specify components which offer better value for money, resulting in savings of £110K.

Waste Management

The removal of planned waste in maxi bags has been reviewed and the service has been tendered to a new supplier resulting in £40K savings and an improved service which has increased customer satisfaction.

GROUP STRATEGIC REPORT (continued)

Future Plans

Housing Plus Group have launched a revised corporate plan for 2024-26, next year some of the objectives which will ensure HPG continue to deliver VFM include:

- **Develop 224 new homes**
- **100% stock surveyed** in the last 5 years by 2025-26.
- **Minimise and deal promptly with disrepair & damp and mould** – dealing with issues promptly that could affect our customers health.
- **Consolidate the provision of care** – focusing on integrated care and accommodation services.
- **"Back to Basics" –** pilot housing management service in Highfields, Stafford**.**
- **Grow the business** – evaluate any opportunities for merger, stock transfer to acquisition that strengthens the financial performance and resilience of the Group.
- **Modernise our governance** – continue to modernise our governance services and structures to ensure efficient, supportive and skilled services and regulatory compliance.
- **IT systems** – ensure we have appropriate systems and technology to drive business transformation and greater

During 2023/24 Housing Plus Group entered into partnership conversations with Wrekin Housing Group. In June 2024 the Group Board formally agreed the outline business case and the exploratory partnership opportunities have continued with the final business case expected to be presented to Board in October 2024

Self-Assessment

After considering the information outlined above, we the Housing Plus Group Board believe the Group complies with the VFM Standard set by the Regulator of Social Housing.

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the Statement of Recommended Practice for registered social housing providers 2018 update.

The Board confirms that the Group has complied with all relevant regulatory and legal requirements. The Board confirms this for the Group and its subsidiaries through appropriate policies and procedures and a strong control framework (described in the Statement of Internal Controls). The Board also reviews the effectiveness of the control framework and the assurance received from it, including receiving external reviews from the Internal Auditor.

GROUP STRATEGIC REPORT (continued)

This Group Strategic Report was approved by order of the Board:

S Jennings
Chair

I Molyneux
Company Secretary

S Boden
Director
25 July 2024

Independent auditor's report to The Housing Plus Group Limited

Opinion

We have audited the financial statements of The Housing Plus Group Limited ("the association") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the group and the association as at 31 March 2024 and of the income and expenditure of the group and the association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group and the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the association or to cease its operations, and as they have concluded that the group's and the association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group's and the association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group's and the association's ability to continue as a going concern for the going concern period.

Independent auditor’s report to The Housing Plus Group Limited (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group’s policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Group’s fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as valuation of pension liabilities and valuation of investment properties. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is derived from routine transactions with limited management incentive and opportunity to fraudulently recognise revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing significant accounting estimates for bias.

Independent auditor's report to The Housing Plus Group Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society, and taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: anti-bribery, health and safety, employment law and regulatory oversight by the Care Quality Commission recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The Group's Board is responsible for the other information, which comprises the Board's Annual Report, the Statement on Internal Controls. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially

Independent auditor's report to The Housing Plus Group Limited (continued)

misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 11, the association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to The Housing Plus Group Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association 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 it 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 for our audit work, for this report, or for the opinions we have formed.

SBrown

Sarah Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

12 August 2024

CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2024

	Note	Year Ended 31 March 2024		Year Ended 31 March 2023	
		Group	Parent	Group	Parent
		£'000	£'000	£'000	£'000
Turnover	3	126,107	19,435	111,316	19,363
Cost of Sales	3	(12,462)	-	(7,223)	-
Operating Costs	3	(85,947)	(18,807)	(82,227)	(19,037)
Gain on disposal of property, plant and equipment (fixed assets)	4	3,874	-	4,129	-
Movement in fair value of investment properties	14	595	-	382	-
Operating surplus		**32,167**	**628**	**26,377**	**326**
Interest receivable and similar income	5	85	-	94	-
Interest and financing costs	6	(21,893)	17	(18,411)	(38)
Surplus before tax	7	**10,359**	**645**	**8,060**	**288**
Taxation on surplus	8	(262)	-	(47)	-
Surplus for the year		**10,097**	**645**	**8,013**	**288**
Actuarial (loss)/ gain in respect of pension schemes	24	(770)	(461)	15,278	1,740
Total comprehensive income for the year		**9,327**	**184**	**23,291**	**2,028**

All the Group and Parent turnover and surplus disclosed above are derived from continuing activities.

The accompanying notes on pages 60 to 110 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2024

	GROUP			PARENT		
	Income and Expenditure Reserve	Restricted Reserve	Total	Income and Expenditure Reserve	Restricted Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	**222,556**	**5,924**	**228,480**	**2,558**	**-**	**2,558**
Total surplus from Statement of Comprehensive Income	**9,609**	**488**	**10,097**	**645**	**-**	**645**
Actuarial gains (loss)/ gain on defined benefit pension scheme	(770)	-	(770)	(461)	-	(461)
Other Comprehensive Income for the year	**(770)**	**-**	**(770)**	**(461)**	**-**	**(461)**
Capital spend in the year	-	**(228)**	**(228)**	-	-	-
Balance at 31 March 2024	**231,395**	**6,184**	**237,579**	**2,742**	**-**	**2,742**

	GROUP			PARENT		
	Income and Expenditure Reserve	Restricted Reserve	Total	Income and Expenditure Reserve	Restricted Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	**201,932**	**3,408**	**205,340**	**530**	**-**	**530**
Total surplus from Statement of Comprehensive Income	**5,346**	**2,667**	**8,013**	**288**	**-**	**288**
Actuarial gains / (loss) on defined benefit pension scheme	15,278	-	15,278	1,740	-	1,740
Other Comprehensive Income for the year	**15,278**	**-**	**15,278**	**1,740**	**-**	**1,740**
Capital spend in the year	-	(151)	(151)	-	-	-
Balance at 31 March 2023	**222,556**	**5,924**	**228,480**	**2,558**	**-**	**2,558**

The accompanying notes on pages 60 to 110 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	As at 31 March 2024 Group	As at 31 March 2024 Parent	As at 31 March 2023 Group	As at 31 March 2023 Parent
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets and goodwill	11	5,583	405	4,885	576
Tangible fixed assets					
Housing properties	12	688,240	-	668,391	-
Other tangible fixed assets	13	7,523	341	7,862	477
Investment Properties	14	22,839	-	22,231	-
		724,185	746	703,369	1,053
Assets: amounts receivable after more than one year					
Pension asset		27	-	383	249
		27	-	383	249
Current assets					
Stocks	15	23,308	-	25,258	-
Debtors	16	8,377	3,729	7,751	5,847
Investments		7	-	7	-
Cash and cash equivalents		3,558	335	11,345	696
Less: Creditors: Amounts falling due within one year	17	(22,197)	(2,068)	(28,595)	(5,284)
Net current assets/ (liabilities)		**13,053**	**1,996**	**15,766**	**1,259**
Total assets less current liabilities		**737,265**	**2,742**	**719,518**	**2,561**
Creditors: Amounts falling due after more than one year	18	(496,276)	-	(487,375)	-
Pension Provision	24	(3,410)	0	(3,663)	(3)
Total net assets		**237,579**	**2,742**	**228,480**	**2,558**
Reserves					
Income and expenditure reserve		231,395	2,742	222,556	2,558
Restricted reserve		6,184	-	5,924	-
Total reserves		**237,579**	**2,742**	**228,480**	**2,558**

The financial statements were approved by the Board and authorised for issue and are signed on its behalf by:

S Jennings
Chair

S Boden
Director

I Molyneux
Company Secretary

25 July 2024

The accompanying notes on pages 60 to 110 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

	Note	Year Ended 31 March 2024		Year Ended 31 March 2023	
		£'000	£'000	£'000	£'000
Cash from operations	26		**41,472**		**32,929**
Taxation receivable / (payable)			(153)		84
Net cash generated from operating activities			**41,319**		**33,013**
Cash flows from investing activities					
Purchase of tangible fixed assets		(42,425)		(34,979)	
Purchase of intangible assets		(1,591)		(1,777)	
Proceeds from sale of tangible fixed assets		12,191		8,500	
Grants received		2,554		1,143	
Interest received		86		94	
Net cash from investing activities			**(29,185)**		**(27,019)**
Cash flows from financing activities					
Interest paid		(21,577)		(17,943)	
Loan drawdowns/ new loans		41,000		25,000	
Repayments of borrowings		(39,344)		(12,135)	
Net cash used in financing activities			**(19,921)**		**(5,078)**
Net increase/ (decrease) in cash and cash equivalents		(7,787)		916	
Cash and cash equivalents at beginning of the year		11,345		10,429	
Cash and cash equivalents at end of the year	24		**3,558**		**11,345**

The accompanying notes on pages 60 to 110 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Parent, the Housing Plus Group Limited, is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is a non-housing asset holding company registered with the Regulator of Social Housing. Housing Plus is a public benefit entity as described by Financal Reporting Standard 102.

2. Accounting policies

A summary of the key accounting policies, which have been applied consistently across all group entities, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), UK Generally Accepted Accounting Practice (UK GAAP) including FRS102 (*the Financial Reporting Standard* applicable in the UK and Republic of Ireland), and the Statement of Recommended Practice for registered social housing providers 2018 update (SORP). The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019.

The financial statements have been prepared under the historic cost convention, except for investment properties, which are stated at their fair value.

The financial statements are presented in pounds sterling (£).

The accounts have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and on a going concern basis.

Going Concern

The Board has assessed and approved the Group's 30-year Business Plan and the Groups financial forecasts. The business plan has been subject to various stress scenarios, including the severe but plausible downturn scenarios of such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, downturn of the UK housing market or other adverse operational issues. Based on our projections, we believe we will meet all covenants and liquidity requirements. Notwithstanding the net current liabilities of £7m for Homes Plus (Group £16m net current assets) has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for at least 12 months. Homes Plus has access to undrawn facilities of £28.5m.

In terms of the non-registered subsidiaries, only Care Plus and Severn Homes carry out significant trading on a commercial basis outside of the Group. Demand for Care

NOTES TO THE FINANCIAL STATEMENTS (continued)

Plus services outside of the group. Care Plus produces a 5-year business plan annually which is reviewed by the Care Board and a formal loan agreement exists between Homes Plus and Care Plus which guarantees support until 2030. Severn Homes has returned a loss during the year due to the timing of its only development build period versus its sales period. Currently the sales within Severn Homes relate to golden brick payments from Homes Plus for the affordable homes developed and outright property sales, which although behind budget in number are achieving higher sale values than expected. Severn Homes has a formal loan agreement with Homes Plus which guarantees support until 2030. The Wrottesley Park development is stress tested on a regular basis to ensure it remains financially viable and mitigating actions are under constant review by both Board and Executive Team.

Short term cash flow is monitored daily for all group entities and on a consolidated basis. Cash flow variances are investigated and the information is used to update and improve cash flow forecasts. The Group has maintained liquidity in line with its Treasury Policy throughout 2023/24.

Longer-term liquidity is reviewed on a monthly basis and reported to the Group Board on a quarterly basis, covering an 18 month planning horizon. Again, this process encompasses all Group entities. Latest forecasts demonstrate clearly that the Group and all subsidiaries have sufficient liquidity to cover the period of investment until July 2028 when the Nationwide Revolving Credit Facility ends. .

As such, the Board concludes that the Group, and all subsidiaries, remain going concerns. The Board remains satisfied that the Group, taking account of severe but plausible downsides, can continue operating as a going concern, being a period of at least 12 months from the date of signing these Financial Statements. The accounts have been prepared in the reasonable expectation that the Group and all subsidiaries are financially viable.

Basis of consolidation

The Group financial statements consolidate the financial statements of The Housing Plus Group Limited parent entity and its wholly owned subsidiaries.

At 31 March 2024, the wholly owned subsidiaries were: Homes Plus Limited, Severn Homes Limited, Care Plus Staffordshire Limited, Development Worx and Housing Plus Group Finance Limited.

The consolidated statement of financial position at 31 March 2024 incorporates the assets and liabilities of all entities within the group at that time. The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows incorporate the results for the period that they were members of the group.

Intercompany transactions and balances within group companies have been eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The Housing Plus Group Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to the following:

- A Statement of Cash Flows has not been presented for the parent company.
- Certain disclosures in the parent company's financial statements have not been presented where equivalent disclosures have been provided for the Group as a whole.

Turnover and income recognition

Turnover represents rental and service charge income receivable net of voids, sales of first tranche shared ownership properties, grant amortisation and care services income for the year. Turnover (representing those items listed above) in the notes to the financial statements are analysed to identify General Needs, Supported Housing, Care Housing and Shared Ownership properties.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Income from Low Cost Home Ownership sales and sales of properties built for sale (outright sales) is recognised at the point of legal completion of the sale.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Service charges, Supporting People Income and care services are recognised when the service has been performed and expenditure incurred.

Value Added Tax (VAT)

The Group's main income stream, being rent, is exempt for value added tax (VAT) purposes. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs (HMRC). The Group and subsidiaries are able to reclaim VAT in line with a Partial Exemption Special Method agreed with HMRC.

VAT reclaimed under the partial exemption method is calculated using a sectorised approach, allowing the different activities of the Group to be assessed separately for recovery based on the VAT treatment of the supply.

The balance of VAT payable to or recoverable at the year-end is included in the financial statements as a current liability or asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Interest payable and other finance costs

Interest and finance costs represent the cost of financing the purchase of those properties transferred and property acquisitions as well as new development. Loans are secured on the majority of housing properties owned by Homes Plus Limited.

Interest and finance costs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- Interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

- A fair amount of interest on borrowings, as a whole, after deduction of SHG received in advance, to the extent that they can be deemed to be financing the development programme

Taxation

The Parent, Homes Plus, Care Plus are all exempt charities, Severn Homes and Property Plus are liable for Corporation Tax and an annual provision is made to meet any assessed tax liability.

Pensions

The Group participates in a number of defined benefit pension schemes. The assets of these schemes are held separately to those of the Group.

For defined benefit schemes accounted for as defined benefit schemes, the net liability (or asset, to the extent it is recoverable) is calculated by estimating the amount of future benefit that employees have earned to date, discounted to present value, and deducting the fair value of the scheme's assets. Changes in this net defined benefit liability arising from employee service, introductions, benefit changes, curtailments and settlements during the period are recognised in operating costs. The net interest expense (or income) on the net liability (or asset) for the period is recognised as other finance cost (or income).

Re-measurement of the net liability (or asset) is recognised as actuarial gains/losses in Other Comprehensive Income.

Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income in the year in which they become payable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Holiday pay accrual

A current liability is recognised for any unused holiday pay entitlement which has accrued at the Statement of Financial Position date. This is measured at the undiscounted salary cost of the future holiday entitlement at the Statement of Financial position date.

Housing properties

Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent. Completed housing properties for lettings are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes costs of acquiring land and buildings, development costs incurred during the development period and other directly attributable costs including capitalised interest.

Housing properties under construction are stated at cost less accumulated impairment losses.

Completed housing properties are split between their land and other components. Freehold land is not depreciated. Housing properties are depreciated on a straight-line basis over the useful economic life of the assets. The depreciable amount is arrived at on the basis of original cost.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

The Group's housing assets are depreciated as follows:

- Depreciation is charged from the date of acquisition or practical completion of works.
- Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.
- The estimated useful lives of components and classes of components are kept under review.
- Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter.

Component estimated useful life

• Structure	100 years
• Roof	60 years
• Kitchens	20 years
• Bathrooms	30 years
• Heating System/Boilers	15 years
• Wiring System	30 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

• Lifts	30 years
• UPVC external doors	30 years
• UPVC windows, fascia's and guttering	30 years
• Porches	30 years
• Solar Panels	30 years
• Housing Act Sewerage Works	25 years

Capitalisation

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised as improvements.

Major improvements and renovation of housing properties which extend the life of the asset, increase the rent or considerably reduce future routine maintenance are capitalised and depreciated over the useful economic life of the asset.

Staff and other costs that are directly attributable to bringing housing properties to practical completion are capitalised. Development costs not capitalised are shown as other activities in the Statement of Comprehensive Income.

Interest costs relating to new development are capitalised. The interest charged reflects the net interest paid over the period of the developments.

Accounting for grants

The Group receives Social Housing Grant and grants from Local Authorities. Any grants provided to reduce the capital cost of housing properties held at cost or specific components of housing properties, are recognised by the Group using the accrual model. It means that grants are released to the Statement of Comprehensive Income, on a systematic basis over the expected useful life of the housing property structure or if a Disabled Facilities Grant over the expected useful life of the bathroom.

If an asset (housing property or any of its components) is disposed of, for which grant was received, and there is no obligation to repay the grant, any grant remaining within liabilities on the Statement of Financial Position is released to the Statement of Comprehensive Income. If the grant is available to be recycled it is credited to a Recycled Capital Grant Fund and included as a liability in the Statement of Financial Position.

Any grants received in respect of revenue expenditure are recognised in the Statement of Comprehensive Income as they become receivable.

Donations of land or other tangible assets acquired below market value from a government source are treated as a non-monetary grant. The difference between the fair value of the tangible asset donated or acquired and the consideration paid is recognised as a liability in the Statement of Financial Position. Once the terms of the donation have been met it is released as income to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Sale of housing property

Under shared ownership arrangements, the Group sells a long term leasehold interest of Shared Ownership housing units to persons who occupy them at a lease premium equal to between 25% and 100% of open Market Value.

The proceeds of first tranches sales are accounted for as turnover in the Statement of Comprehensive Income. The total property cost is apportioned between the shared ownership element and the element remaining in the Group's ownership based on the percentage sold or estimated to be sold.

Properties developed for sale that are either unsold or work in progress at the year-end are included in current assets. Any subsequent tranches sold ('Stair-casing') are accounted for as disposals. The remaining unsold element remains on the Statement of Financial Position as a fixed asset and is subject to an annual impairment review.

Under Right to Buy and Right to Acquire arrangements Homes Plus may sell properties to qualifying tenants. For properties previously owned by South Staffordshire Housing Association (due to the nature of the transfer with South Staffordshire Council) is not possible to separately identify the cost of each property sold. An average cost is eliminated from the property assets following each sale and charged to the Statement of Comprehensive Income. Receipts from Right to Acquire sales are required to be retained in a ring-fenced fund that can only be used for providing replacement housing. The sales receipt less eligible expenses are held in a disposal proceeds fund, which is held in creditors (either current or long-term dependent on when it is anticipated to be used).

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. The Group's intangible assets include licences, warranties and software. These are stated at cost less accumulated amortisation and any accumulated impairment losses. The cost includes cost of asset purchase and other directly attributable costs.

Intangible assets are amortised on a straight-line basis over the useful economic life of the assets as follows:

Software warranties & licences	5 years
Business Transformation costs	7 years

Other tangible fixed assets

Other tangible assets are depreciated on a straight-line basis over the useful economic life of the asset as follows:

• Office structure	60 years
• Vehicles	4 years
• IT software	5 years
• Furniture & equipment	5 years
• Photocopiers	3 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

- IT hardware 3 years

For assets categorised as other tangible fixed assets the threshold for capitalisation is £500 for a single asset or group of assets.

Impairment

The Group carries out an annual impairment review of individual tangible fixed assets and cash generating units. The Group considers cash generating units to be schemes or geographical areas depending on size.

The review takes into account internal and external indicators of impairment; including obsolescence, physical damage, expected cash flows, replacement values market factors and government policy.

Where an indicator of impairment exists, an impairment assessment is performed. The assessment compares the carrying amount to the recoverable amount If the carrying amount of an asset or cash generating unit exceeds the higher of the value in use or fair value less costs to sell then the loss is charged to the Statement of Comprehensive Income as expenditure and as a separate line within operating expenditure where it is considered to be material.

Leased assets and leasing obligations

At inception, the Group assesses all agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Payments received when the Group is acting as a lessor (Commercial Offices) are treated as rental revenue in the Statement of Comprehensive Income and the leased asset is a fixed asset in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the net identifiable assets at the date of acquisition.

Housing Plus Group recognises intangible assets from goodwill if the intangible meets all of the following three criteria:

- meets the recognition criteria per FRS 102.18.4
- are separable
- arise from contractual or other legal rights.

Goodwill on acquisitions is included in 'intangible assets' and is carried at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be in line with any financing made available to acquire the business or business combination. The estimated useful lives are as follows:

- The Sandford Care Home – 4.5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors and creditors

Debtors and creditors 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 expenditure.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The Group accounts for its financial instruments using sections 11 'Basic Financial Instruments' and 12 'Other Financial Instruments Issues' of FRS102.

The Group's financial instruments are all currently classified as basic and include rent receivable, trade creditors, cash and loans.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Basic financial instruments are initially recognised at transaction price and in subsequent years at amortised cost. Financial assets are derecognised when the rights to the cash flows from the asset expire or are settled.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Any difference between the consideration paid or received and the amounts derecognised are recorded in the Statement of Comprehensive Income.

Cash and cash equivalent

Cash and cash equivalents' consists of cash at bank, cash in hand, deposits and short term investments with an original maturity of three months or less.

Loan issue costs

Loan issue costs are amortised over the life of the related loan. Loans are presented in the Statement of Financial Position within creditors falling due after more than one year net of any unamortised loan issue costs.

Amortised loan issue costs are recognised in the Statement of Comprehensive Income in the year, and are included within interest payable and similar charges

Provisions for liabilities and charges

The Group only makes a provision when:

- there is a present legal or constructive obligation, resulting from a past event, at the Statement of Financial Position date;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date.

The Group sets a provision against rent arrears of current and former tenants based upon historic trends relating to write offs. All other receivables including trade receivables are provided for on a case by case basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

A contingent liability exists on grant repayment which is dependent on the disposal of the related property.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the use of certain accounting estimates and judgements concerning the future. The estimates and assumptions that

have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- *Impairment of assets*

The Group assesses whether there is any indicator of impairment. Where an indication of impairment exists then an estimate must be made of the recoverable amount of the cash generating unit (CGU). This can require estimation of future cash flows from the CGU or costs of constructing/replacing the CGU if it is not held solely for its cash flows but for its service potential. Estimations are also made in relation to the selection of appropriate discount rates in order to calculate the net present value of those cash flows or costs.

- *Defined benefit pension scheme*

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, asset valuations and the discount rate on corporate bonds. Management relies on the estimates made by actuaries and the pension fund in these areas.

During the year ended 31 March 2024, the range of assumptions used by the individual schemes of which the Group is a member is shown in Note 23 of the financial statements.

- *Classification of Financial Instruments*

The Group must make judgements over the classification of Financial Instruments as either basic or other. The implication of this is that if treated as 'other', the loan would have to be shown at fair value with any movements in fair value reflected in the Statement of Comprehensive Income. All of these adjustments are non-cash and would have no impact on the Group's loan covenants.

f

The Group's financial instruments are all currently classified as basic and measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

- *Leases*

Whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- *Development expenditure*

The anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for outright sale. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.

- *Assets*

The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets. The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

- *Revaluation of investment properties*

The association carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The association engaged independent valuation specialists to determine the fair value at the reporting date. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, if appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- *Debtors*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars of turnover, cost of sales, operating costs and operating surplus

Group	Note	Year Ended 31 March 2024				Year Ended 31 March 2023			
		Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings									
Income and expenditure from social housing lettings	3a	103,530	-	(79,728)	23,802	95,517	-	(76,792)	18,725
Other social housing activities									
1st Tranche Low Cost Home Ownership sales		6,773	(4,900)	(223)	1,650	5,590	(3,872)	(302)	1,416
Leaseholders		261	-	(245)	16	211	-	(164)	47
Tenant garages		149	-	(6)	143	157	-	(12)	145
External activities		2,282	-	(2,121)	161	2,318	-	(2,488)	(170)
Development team		-	-	(94)	(94)	-	-	(206)	(206)
Office depreciation and impairment		-	-	(253)	(253)	-	-	(266)	(266)
Other activities		335	-	-	335	311	-	-	311
Gain on disposal of property assets					3,874				4,097
		9,800	(4,900)	(2,942)	5,832	8,587	(3,872)	(3,438)	5,374
Activities other than social housing activities									
Income on closure of subsidiaries		-	-	-	-	14	-	-	14
Shops		295	-	-	295	335	-	-	335
Private garages		873	-	(2)	871	838	-	-	838
Market and commercial rent		1,025	-	(25)	1,000	1,005	-	(12)	993
Other		-	-	-	-	-	-	-	-
Market sales		8,876	(7,562)	(845)	469	3,780	(3,351)	(229)	200
Sandford care home		1,708	-	(2,405)	(697)	1,240	-	(1,756)	(516)
Gain on disposal of investment properties					-				32
Movement in fair value of investment properties					595				382
		12,777	(7,562)	(3,277)	2,533	7,212	(3,351)	(1,997)	2,278
Total		**126,107**	**(12,462)**	**(85,947)**	**32,167**	**111,316**	**(7,223)**	**(82,227)**	**26,377**

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars of turnover, operating costs and operating surplus (continued)

PARENT	Note	Year Ended 31 March 2024				Year Ended 31 March 2023			
		Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings									
Income and expenditure from social housing lettings	3a	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Other Social Housing Activities									
Charges for support services		19,435	-	(18,713)	722	19,363	-	(18,831)	532
External Activities		-	-	-	-	-	-	-	-
Development Team				(94)	(94)			(206)	(206)
Intra Group		-	-	-	-	-	-	-	-
		19,435	-	(18,807)	628	19,363	-	(19,037)	326
Total		**19,435**	**-**	**(18,807)**	**628**	**19,363**	**-**	**(19,037)**	**326**

All social housing activities are undertaken by Homes Plus as the owners of the housing assets within the Group. Other housing activities are undertaken by the Parent and all subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a. Income and expenditure from social housing activities

GROUP	Year Ended 31 March 2024 General Housing	Supported Housing	Low Cost Home Ownership	Care Housing	Total	Year Ended 31 March 2023 Group Total
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Rent receivable net of identifiable service charges	76,319	11,992	2,719	4,715	95,745	88,090
Service charge income	1,019	2,908	529	1,313	5,769	5,499
Amortised government grants	543	135	60	106	844	810
Other revenue grants	1,172	-	-	-	1,172	1,118
Turnover from social housing lettings	**79,053**	**15,035**	**3,308**	**6,134**	**103,530**	**95,517**
Operating Expenditure						
Management	(17,060)	(3,269)	(706)	(1,296)	(22,331)	(22,684)
Service charge costs	(4,436)	(2,565)	(5)	(2,153)	(9,159)	(8,087)
Routine maintenance	(18,419)	(20)	-	(4)	(18,443)	(15,069)
Planned maintenance	(12,571)	5	-	(62)	(12,628)	(13,963)
Bad debts	(155)	(39)	-	(3)	(197)	(381)
Depreciation of housing properties	(13,668)	(2,286)	(479)	(537)	(16,970)	(16,608)
Impairment of housing properties	-	-	-	-	-	-
Operating costs on social housing lettings	**(66,309)**	**(8,174)**	**(1,190)**	**(4,055)**	**(79,728)**	**(76,792)**
Operating surplus/ (deficit) on social housing lettings	**12,744**	**6,861**	**2,118**	**2,079**	**23,802**	**18,725**
Void Losses	(1,130)	(542)	(8)	(44)	(1,724)	(1,559)

Included within Planned maintenance are compliance costs as follows:

Compliance costs	9,823	(4)	-	4	9,823	10,872

The parent does not hold any housing stock for letting

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b. Classes of accommodation in management and development

Group	2024	2023
	Number	Number
General housing		
- Social rent	14,386	14,377
- Affordable rent	1,496	1,453
Supported housing and housing for older people		
- Social rent	1,896	1,896
- Affordable rent	121	121
Low cost home ownership	857	807
Care Housing		
- Social rent	202	202
- Affordable rent	50	50
Total social housing units	**19,008**	**18,906**
Market rent	114	114
Other	2	2
Leasehold	647	646
Leasehold for the elderly	30	30
Total social housing units owned and managed	**19,801**	**19,698**
Accommodation managed on behalf of others	1	1
Total social housing managed	**19,802**	**19,699**
Non social leasehold	40	40
Total housing managed	**19,842**	**19,739**
Homes under construction at the year end	**221**	**186**

The parent does hold any housing stock

NOTES TO THE FINANCIAL STATEMENTS (continued

4. Gains/ (loss) on disposal of property, plant and equipment (fixed assets)

	Right to Buy sales	Other Disposals	Investment Properties	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	1,210	3,871	-	**5,081**	6,583
Less: Cost of sales	(594)	(538)	-	**(1,132)**	(2,350)
Selling costs	(17)	(58)	-	**(75)**	(104)
	599	**3,275**	**-**	**3,874**	**4,129**

Parent	Right to Buy sales	Other Disposals	Investment Properties	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	-	-	-	**-**	**-**
Less: Cost of sales	-	-	-	**-**	**-**
	-	**-**	**-**	**-**	**-**

5. Interest receivable and similar income

	Year Ended 31 March 2024		Year Ended 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Interest received from current asset investments	85	-	94	-
Other loans to group undertakings	-	-	-	-
Interest receivable and similar income	**85**	**-**	**94**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

6.Interest payable and financing costs

	Year Ended 31 March 2024		Year Ended 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Bank loans and overdraft	(23,134)	-	(19,410)	-
Loan commission and commitment fees	-	-	-	-
Loan amortisation	1,023	-	1,120	-
Renegotiation fees	(569)	-	(207)	-
Capitalised interest	1,104	-	833	-
Non utilisation fee	(187)	-	(268)	-
Net interest on pension liability	(130)	17	(479)	(38)
Interest payable and financing costs	**(21,893)**	**17**	**(18,411)**	**(38)**

Interest was capitalised at an average rate of 4.75% (2023: 4.75%)

7.Surplus on ordinary activities before taxation

This is arrived at after charging:	Note	Year Ended 31 March 2024		Year Ended 31 March 2023	
		Group	Parent	Group	Parent
		£'000	£'000	£'000	£'000
Depreciation:					
Housing assets		16,970	-	16,608	-
Other tangible fixed assets		735	298	937	445
Impairment:					
Intangible assets		347	-		
Amortisation:					
Intangible assets	11	545	200	610	265
Grants		(844)	-	(810)	-
Fair value movement (gain) on investment properties		(595)	-	(382)	-
Operating lease rentals	22	1,129	45	842	30
Auditor's Remuneration (incl. expenses excl. VAT):					
Fees for the audit of the financial statements		180	45	137	34
Fees for other services		20	5	49	6

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.Taxation

The difference between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to surplus before tax is as follows:

	Year Ended 31 March 2024		Year Ended 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Surplus/ (deficit) on ordinary activities before tax	10,359	645	8,060	288
Tax on surplus on ordinary activities at standard UK corporation tax rate of 25% (2023: 19%)	2,590	161	1,532	55
Less: tax on surplus attributable to charitable activities	(2,327)	(161)	(1,485)	(55)
	262	-	47	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Employees

The average number of persons employed during the financial year expressed as full-time equivalents was:

	Year Ended 31 March 2024 Group	Year Ended 31 March 2024 Parent	Year Ended 31 March 2023 Group	Year Ended 31 March 2023 Parent
	Number	Number	Number	Number
Administration and Management	467	222	475	220
Property Services	277	244	266	228
Housing Support and Care	137	37	137	36
Other	5	5	4	4
Total	**886**	**508**	**882**	**488**

Employees' costs:

	Note	Year Ended 31 March 2024 Group	Year Ended 31 March 2024 Parent	Year Ended 31 March 2023 Group	Year Ended 31 March 2023 Parent
		£000	£000	£000	£000
Wages and salaries		31,053	19,606	29,093	17,919
Social Security costs		2,850	1,918	2,739	1,810
Other pension costs	23	2,677	1,646	2,631	1,545
Total		**36,580**	**23,170**	**34,463**	**21,274**

10.Directors' emoluments

Directors (key management personnel) are defined as the members of the board, the Chief Executive and other Executive Directors

Below are the emoluments paid to the Board Members.

Summary of Board Members Payments	Year Ended 31 March 2024 Group	Year Ended 31 March 2024 Parent	Year Ended 31 March 2023 Group	Year Ended 31 March 2023 Parent
	£'000	**£'000**	**£'000**	**£'000**
Pay	188	188	202	202
National Insurance	5	5	5	5
Total	**193**	**193**	**207**	**207**

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Directors' emoluments (continued)

		Member of Board						
Details of Board Members Pay	**31 March 2024 £'000**	**Group Board**	**Homes and Property Board**	**Care Plus Board**	**Audit and Risk Committee**	**People Committee**	**Finance**	**Development**
Board Members Pay								
A Dhillon (Resigned 31 March 2024)	10	X		X				
A Burns	12	X			X		X	
C Dass	13	X				X		
C Purdy	10		X					
C Royall	10		X					X
E Harrison (Resigned 31 December 2023)	6		X			X		
G Betts	11	X		X				
H Bowman (Resigned 30 September 2023)	6		X		X			
I Farrell	10		X					X
I Fleming	12							
J Burt	13	X	X		X			
J Taylor	10			X				
J Pert	10		X					
K Shaw (Appointed 1 April 2023)	10		X					X
R Barber (Resigned 31 December 2023)	6		X					
R Preen	9							
S Jennings	20	X				X	X	
V Cross	10		X		X		X	X
Total	**188**							

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Directors' emoluments (continued)

The aggregate amount of emoluments (including benefits in kind and pension contributions) paid to or receivable by the six (2023: four) Executive Officers of the Group and of the six (2023: four) of the Parent during the year was made up as follows:

	Year Ended 31 March 2024		Year Ended 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Emoluments (including Benefits in Kind)	856	856	709	709
Pension Contribution	150	150	125	125
Total	**1,006**	**1,006**	**834**	**834**

The emoluments (including benefits in kind and pension contributions) paid to the Chief Executive, and Executive Officers and other higher earners were in the following range:

	Year Ended 31 March 2024		Year Ended 31 March 2023	
	Group	Parent	Group	Parent
More than £60,000 but not more than £70,000	25	20	17	14
More than £70,000 but not more than £80,000	7	7	8	6
More than £80,000 but not more than £90,000	8	7	8	7
More than £90,000 but not more than £100,000	7	7	3	3
More than £100,000 but not more than £110,000	2	1	5	4
More than £110,000 but not more than £120,000	2	1	3	3
More than £120,000 but not more than £130,000	2	2	2	2
More than £130,000 but not more than £140,000	2	2	1	1
More than £140,000 but not more than £150,000	1	1	-	-
More than £150,000 but not more than £160,000	1	1	-	-
More than £160,000 but not more than £170,000	1	1	-	-
More than £170,000 but not more than £180,000	-	-	1	1
More than £180,000 but not more than £190,000	2	2	1	1
More than £190,000 but not more than £200,000	-	-	2	2
More than £200,000 but not more than £210,000	1	1	-	-
More than £210,000 but not more than £220,000	-	-	-	-
More than £220,000 but not more than £230,000	-	-	-	-
More than £230,000 but not more than £240,000	-	-	-	-
More than £240,000 but not more than £250,000	-	-	-	-
More than £250,000 but not more than £260,000	-	-	-	-
More than £260,000 but not more than £270,000	-	-	1	1
More than £270,000 but not more than £280,000	-	-	-	-
More than £280,000 but not more than £290,000	1	1	-	-

The emoluments paid to the current Chief Executive, Mrs Sarah Boden, who was also the highest paid director, (excluding benefits in kind and pension contributions) were £240k (2023: £229k). The Chief Executive is a member of the LGPS pension scheme on an ordinary 50:50 basis, employer pension contributions were £43k (2023: £41k)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible assets and goodwill

	As at 31st March 2024			
	Group			Parent
	Software	Goodwill	Total	Software
	£'000	£'000	£'000	£'000
Cost				
At 1 April	6,051	1,550	7,601	2,060
Additions	1,590	-	1,590	29
Disposals	-	-	-	-
At 31 March	**7,641**	**1,550**	**9,191**	**2,089**
Accumlated amortisation				
At 1 April	(1,858)	(858)	(2,716)	(1,484)
Charge for the year	(200)	(345)	(545)	(200)
Impairment	-	(347)	(347)	-
At 31 March	**(2,058)**	**(1,550)**	**(3,608)**	**(1,684)**
Net book value				
At 31 March	5,583	-	5,583	405
At 1 April	4,193	692	4,885	576

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Housing properties at cost

Group	As at 31 March 2024					
	Houses for Letting		Low Cost Home Ownership		Other	
	Complete for Letting	Under Construction	Complete for Letting	Under Construction		Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April	727,176	11,106	58,326	4,635	7	801,250
Additions	16,031	16,063	7	9,929	-	42,030
Disposals	(3,905)	(34)	(181)	-	-	(4,120)
Transfer on completion	13,162	(13,162)	6,504	(6,504)	-	-
Transfer to current assets	-	-	(1,098)	(3,071)	-	(4,169)
At 31 March	**752,464**	**13,973**	**63,558**	**4,989**	**7**	**834,991**
Less accumulated depreciation and impairment						
At 1 April	(129,239)	-	(3,620)	-	-	(132,859)
Depreciation charge for year	(15,986)	-	(481)	-	-	(16,467)
Eliminated in respect of Disposals	2,561	-	14	-	-	2,575
Impairment (losses)/ reversals	-	-	-	-	-	-
At 31 March	**(142,664)**	**-**	**(4,087)**	**-**	**-**	**(146,751)**
Net book value						
At 31 March	**609,800**	**13,973**	**59,471**	**4,989**	**7**	**688,240**
At 1 April	597,937	11,106	54,706	4,635	7	668,391

Note: Included within 'Eliminated in respect of disposals' is accelerated depreciation of £483k (2023: £381k). Of the total additions, £14,362k relate to component replacements and £1,517k fire safety works (2023: £12,177k component replacements, £1,648k fire safety works).

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Housing properties at cost (continued)

Homes Plus hold all housing assets within the Group. The ultimate controlling party, the group parent, The Housing Plus Group Limited is a non-housing asset holding company.

Charges against properties

GROUP	As at 31 March 2024	As at 31 March 2023
Number of properties on which there is a fixed charge	16,190	16,190
Number of properties not charged	2,818	2,716
Total number of properties	**19,008**	**18,906**

Housing properties book value, net of depreciation and impairments

GROUP	As at 31 March 2024	As at 31 March 2023
	£'000	**£'000**
Freehold land and buildings	687,769	667,919
Long leasehold land and buildings	471	472
	688,240	**668,391**

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Other tangible fixed assets

GROUP	As at 31 March 2024				
	Vehicles	Furniture & Equipment	Computer Equipment &Telephones	Land & Buildings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April	647	5,924	5,964	11,773	24,308
Additions	-	212	167	17	396
At 31 March	647	6,136	6,131	11,790	24,704
Accumulated Depreciation & Impairment					
At 1 April	(638)	(5,311)	(5,490)	(5,007)	(16,446)
Depreciation charge for year	(9)	(276)	(299)	(151)	(735)
At 31 March	(647)	(5,587)	(5,789)	(5,158)	(17,181)
Net book value					
At 31 March	-	549	342	6,632	7,523
At 1 April	9	613	474	6,766	7,862

Land and buildings includes £2,235k held under long leasehold (2023 £2,235k)

NOTES TO THE FINANCIAL STATEMENTS

13. Other tangible fixed assets (continued)

PARENT	As at 31 March 2024			
	Vehicles	Furniture & Equipment	Computer Equipment & Telephone	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April	243	11	3,173	3,427
Additions	-	-	162	162
At 31 March	243	11	3,335	3,589
Accumulated Depreciation & Impairment				
At 1 April	(243)	(9)	(2,698)	(2,950)
Depreciation charge for year	-	-	(298)	(298)
At 31 March	(243)	(9)	(2,996)	(3,248)
Net book value				
At 31 March	-	2	339	341
At 1 April	-	2	475	477

There are no charges on any of these assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Investment properties

GROUP	As at 31 March 2024	As at 31 March 2023
	£'000	**£'000**
At 1 April	22,231	22,530
Additions	13	-
Transfer from/ (to) other property, plant and equipment	-	(59)
Disposal	-	(622)
Net gain from fair value adjustments	595	382
At 31 March	**22,839**	**22,231**

All investment properties were valued as at 31st March 2024 using the valuation methodology – market value subject to tenancies (MV-STT). The valuations were performed by independent valuers with recognised and relevant qualifications (Jones Lang LaSalle). There are no restrictions on the investment property and there are no contractual obligations to purchase, construct or develop investment property.

Investments in group undertakings

The Parent and Group have investments in the following subsidiary undertakings, which principally affected the surpluses or net assets of the Group.

	Principal activity	Holding	%
Homes Plus	Registered Provider of social housing	Non-equity shares	100%
Housing Plus Finance Ltd	Group funding vehicle	Equity shares	100%
Care Plus Staffordshire Ltd	Care and support services	Non-equity shares	100%
Severn Homes Ltd	Developing and selling properties for outright sale	Equity shares	100%
County Town Homes Ltd	Dormant	Equity shares	100%
Development Worx	Developing of properties	Equity shares	100%

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Stocks

GROUP	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Properties developed for outright sale		
Completed	1,637	4,661
Under Construction	19,566	17,990
Total outright sales properties	**21,203**	**22,651**
Shared ownership properties		
Completed	80	869
Under Construction	1,767	1,442
Total low cost home ownership	**1,847**	**2,311**
Other stocks	258	296
Land held for development	-	-
Total Inventories	**23,308**	**25,258**

Stock is held at the lower of actual cost and estimated selling price less costs to complete and sell. There have been no impairments in the year (2023: none).

The Parent does not hold any stock.

16. Trade and other debtors

	As at 31 March 2024		As at 31 March 2023	
	Group	Parent	Group	Parent
Due within one year	£'000	£'000	£'000	£'000
Rent and service charges receivable	4,379	-	3,996	-
Less: Provision for bad and doubtful debts	(539)	-	(732)	-
	3,840	-	3,264	-
Care service receivable	158	-	271	-
Less: Provision for bad and doubtful debts	(12)	-	(14)	-
	146	-	257	-
Amounts due from group undertakings	-	3,100	-	5,018
Other debtors	2,512	91	2,431	132
Less: Provision for bad and doubtful debts	(150)	-	(66)	-
	2,362	3,191	2,365	5,150
Prepayments & accrued income	2,029	538	1,865	697
Taxation & social security	-	-	-	-
Total Debtors	**8,377**	**3,729**	**7,751**	**5,847**

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Creditors: Amounts falling due within one year

	As at 31 March 2024		As at 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Loans payable within one year	(3,353)	-	(9,843)	-
Trade Creditors	(3,707)	(1,054)	(2,471)	(1,091)
Rents and service charges received in advance	(3,443)	-	(3,170)	-
Amounts owed to group undertakings	-	-	-	(3,500)
Taxation and social security	(172)	-	(64)	-
Other creditors	(175)	-	(142)	-
Deferred grant income	(1,002)	-	(990)	-
Recycled capital grant and disposal proceeds fund	(45)	-	-	-
Accruals and deferred income	(8,515)	(1,014)	(10,296)	(687)
Accrued interest	(1,772)	-	(1,586)	-
Employees	(14)	-	(33)	(6)
Total Creditors: Amounts falling due within one year	**(22,197)**	**(2,068)**	**(28,595)**	**(5,284)**

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

	As at 31 March 2024		As at 31 March 2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Loans and Borrowings	(426,450)	-	(419,326)	-
Loan arrangement fees	1,416	-	1,088	-
Deferred grant income	(68,920)	-	(66,970)	-
Recycled capital grant and disposal proceeds fund	(232)	-	(302)	-
Other designated funds	(2,090)	-	(1,865)	-
Total Creditors: Amounts falling due after more than one year	**(496,276)**	**-**	**(487,375)**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

Repayment of loans

Group	As at 31st March 2024		
	Bank Loans	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	3,000	353	3,353
In more than one year but not more than two years	2,000	363	2,363
In more than two years but not more than five years	123,000	1,150	124,150
In more than five years	233,500	66,437	299,937
	361,500	68,303	429,803

Group	As at 31st March 2023		
	Bank Loans	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	9,500	343	9,843
In more than one year but not more than two years	8,500	353	8,853
In more than two years but not more than five years	121,000	1,119	122,119
In more than five years	220,500	67,854	288,354
	359,500	69,669	429,169

Security, terms of repayment and interest rates

As at 31 March 2024 the Group had total facilities as detailed below of £419m (2023: £452.9m) with £28.5m (2023: £35.5m) remaining undrawn. £3m of additional funding was drawn from existing facilities during the year and £9.5m repaid. Loan balances as 31 March 2024 were £419m (2023: £417.4m).

The Nationwide loan is secured by properties owned by Homes Plus. The final scheduled loan repayment is due in March 2045. Of the total loan drawn of £216.5m, 50% are fixed rate loans (including index linked) with a weighted average interest rate of 6.05%, 50% are variable rate loans with a weighted average interest rate of 6.54%. The total Nationwide facility as at 31 March 2024 is £245m. £28.5m of the Nationwide facility remains undrawn.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

The Barclays loan is secured by properties owned by Homes Plus. In January 2024, the drawn Revolving Credit Facility of £34m was paid in full and the facility cancelled.

The Lloyds loan is secured by properties owned by Homes Plus. The final scheduled loan repayment of the £45m Revolving Credit Facility is due in December 2028. The all-in rate as at 31 March 2024 was 6.27%.

The Private Placement with the BAE pension fund of £45m is secured against properties owned by Homes Plus. £35m of the Private Placement is to be repaid between August 2038 and August 2042 in equal instalments of £7m and has a fixed interest rate of 5%, with the remaining £10m being repaid in a single instalment in August 2042 with a fixed interest rate of 3.75%.

The Private Placement with Canada Life of £35m is secured against properties owned by Homes Plus. The interest rate is fixed at 4.54% and the Private Placement is due to be repaid in September 2048.

The Shropshire Council annuity loans of £5.9m and £1.7m held within Homes Plus are repayable in instalments, with the final scheduled loan payments due in March 2042 and March 2040 respectively.
The Shropshire Council loans are secured against properties that Homes Plus owns. The interest rates are fixed at 4.3% and 2.3%.

Homes Plus holds a £15m Private Placement with M&G and a £35m Private Placement with Aviva Investors. The Private Placements are repayable in annual instalments of £10m between 2047 and 2051.

The M&G Private Placement is secured against properties that Homes Plus owns. The interest rate is fixed at 3.86%.

The Aviva Investors Private Placement is secured against properties that Homes Plus owns. The interest rate is fixed at 3.86%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

Deferred Capital Grant

Homes Plus have received government grants in order to acquire and develop housing properties. Grants are amortised through the Statement of Comprehensive Income over the useful economic life of the structure of the property. Any unamortised grant is held as deferred income. A breakdown of this grant is shown below:

GROUP	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Deferred capital grant at 1st April	67,960	67,587
Grants received during the year	2,539	1,190
Grants recycled from/(to) the recycled capital grant fund	212	(110)
Transfers from reserves	56	90
Releases to income during the year	(845)	(797)
Deferred capital grant at 31 March	**69,922**	**67,960**
Amounts due within one year	1,002	990
Amounts due after more than one year	68,920	66,970
Total	**69,922**	**67,960**

Recycled Capital Grant Fund

Group	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Recycled Capital Grant Fund		
Balance as at 1 April	302	191
Recycled Grant Input	45	111
Withdrawals	(70)	-
Balance as at 31 March	**277**	**302**
Amounts due within one year	45	-
Amounts due after more than one year	232	302
Total	**277**	**302**

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial instruments

	Note	As at 31 March 2024		As at 31 March 2023	
		Group	Parent	Group	Parent
		£'000	£'000	£'000	£'000
Financial assets measured at historic cost					
Rent & service charge receivable	16	3,841	-	3,264	-
Care service receivable	16	146	-	257	-
Amounts owed from group undertakings	16	-	3,100	-	5,018
Other debtors	16	2,362	91	2,365	132
Investments in short term deposits		7	-	7	-
Cash and cash equivalents		3,558	335	11,345	696
Total Financial Assets		**9,914**	**3,526**	**17,238**	**5,846**
Financial Liabilities measured at amortised cost					
Loans	17/18	(429,803)	-	(429,169)	-
		(429,803)	**-**	**(429,169)**	**-**
Financial liabilities measured at historical cost					
Trade creditors	17	(3,707)	(1,054)	(2,471)	(1,091)
Accruals	17	(10,286)	(1,014)	(11,882)	(687)
Amounts owed to group undertakings	17	-	-	-	(3,500)
Other creditors	17	(175)	-	(142)	-
		(14,168)	**(2,068)**	**(14,495)**	**(5,278)**
Total Financial Liabilities		**(443,971)**	**(2,068)**	**(443,664)**	**(5,278)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Called up non equity share capital

Each member of the Board of Management holds one non-equity share of £1 each. These shares carry the right to vote at General Meetings on the basis of one share one vote. The shares are not transferable, non-redeemable and carry no right to receive income or capital payments.

Parent	2024	2023
	£	£
As at 1 April	6	6
Shares issued during the financial period	-	-
As at 31 March	**6**	**6**

21. Capital commitments

The following describes the way the Group funds development:

	2024		2023	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Expenditure contracted but not provided in the financial statements	25,730	-	27,492	-
Expenditure authorised by the Board but not contracted	77,105	-	84,717	-
Total capital commitments	**102,835**	**-**	**112,209**	**-**

The expenditure will be funded as follows:

Group	2024	2023
	£'000	£'000
Loans and reserves	66,500	68,714
Social housing grant	18,505	15,380
Forecast sales	17,830	28,115
Total gross expenditure	**102,835**	**112,209**

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Leases

Operating leases

At 31 March 2024 the total of future minimum lease payments under non-cancellable operating leases for each of the following periods was:

	2024		2023	
	Group	**Parent**	**Group**	**Parent**
	£'000	**£'000**	**£'000**	**£'000**
Leases for vehicles:				
Not later than one year	1,077	-	800	-
Later than one year and not later than five years	1,740	-	834	-
Leases for equipment:				
Not later than one year	52	45	42	30
Later than one year and not later than five years	52	49	85	62
	2,921	**94**	**1,761**	**92**

The expenditure charged in the Statement of Comprehensive Income during the year in relation to minimum lease payments was £1,129k for the Group (2023: £842k) and £45k for the Parent (2023: £30k).

Finance leases and hire purchase

The group had no obligations under finance leases or hire purchase agreements as at 31 March 2024 (2023: None)

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions

The Housing Plus Group, as a group, participates in two multi-employer pension schemes, the Staffordshire County Council Scheme, and the Shropshire Council Scheme. In addition, the group participates in the Housing Plus Pensions Scheme. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). The Housing Plus Group Limited, the parent organisation, participates in the Housing Plus Pension Scheme and the Staffordshire County Council Scheme.

a) Staffordshire County Council Scheme

The parent, and Housing Plus Group participate in the Staffordshire County Council Pension Scheme which is a multi-employer defined benefit Scheme, is funded and is contracted out of the state scheme.

The Housing Plus Group has 3 schemes within the Staffordshire LGPS of which two relate to Homes Plus. Two of the schemes (one in Housing Plus and ones in Homes Plus are currently pooled together but for the purposes of the accounting valuation for the financial statements they have been split out. We are currently in the process of pooling the other Staffordshire LGPS scheme so there will be one overall scheme for the Group.

The latest triennial valuation of the scheme was carried out as at 31 March 2022. The triennial valuation is based on the pooling of all 3 schemes within the Housing Plus Group. The funding position at 31 March 2022 is a surplus of £21,432k. (Assets £90,010k, Liabilities £68,578k, funding level 131%)

The actuary has estimated that the net pension liability under FRS102 as at 31 March 2024 for HPG (the parent) is an asset of £13,829k (2023: £10,250k asset). The other schemes within the Group have an estimated net pension asset/ liability as follows. Scheme 1 is a liability of £3,185k (2023: £3,653k). For Scheme 2 there is an asset of £16,879k. (2023: £12,669k).

The surplus on a scheme is not recoverable in full, we have followed IAS19 to determine the economic benefit of the surplus that the Group can recognise. For 2024 the surplus recognised as an asset in the statement of financial position for HPG (the parent) £0k (2023; £249). The amount recognised in the Group is is £27k (2023: £383k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

a) Staffordshire County Council Scheme (continued)

The organisations' net liabilities can be summarised as:

	2024			2023		
	Parent	Homes Plus	Group	Parent	Homes Plus	Group
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Fair vale of employer assets	40,510	57,577	98,087	35,647	52,373	88,020
Net asset ceiling	(13,829)	(16,852)	(30,681)	(10,001)	(12,535)	(22,536)
Present value of defined benefit obligations	(26,681)	(43,883)	(70,564)	(25,397)	(43,357)	(68,754)
Provision at the end of period	**-**	**(3,158)**	**(3,158)**	**249**	**(3,519)**	**(3,270)**
Asset	-	27	27	249	134	383
Liability	-	(3,185)	(3,185)	-	(3,653)	(3,653)
Provision at the end of period	**-**	**(3,158)**	**(3,158)**	**249**	**(3,519)**	**(3,270)**

Reconcialtion of the effect of the net asset ceiling	2024		2023	
	Parent	**Group**	**Parent**	**Group**
	£'000	**£'000**	**£'000**	**£'000**
Opening asset ceiling	10,001	22,536	-	616
Interest on asset ceiling	480	1,082	-	-
Movement in asset ceiling recognised through OCI (as a remeasurement)	3,348	7,090	10,250	22,303
Asset ceiling	13,829	30,708	10,250	22,919
Surplus recognised (IAS19)	-	(27)	(249)	(383)
Closing net asset ceiling	**13,829**	**30,681**	**10,001**	**22,536**

Assumptions as at	**2024**	**2023**
	%p.a.	%p.a.
Salary increases	3.25%	3.30%
Pension increases	2.75%	2.80%
Discount rate	4.90%	4.80%

The life expectancy is based on the Fund's VitaCurves and based on these assumptions, the average future life expectancies at age 65 are summarised below:

Housing Plus	**Males**	**Females**
Current Pensioners	21.0 years	25.0 years
Future Pensioners*	22.0 years	25.5 years
Homes Plus Scheme 1	**Males**	**Females**
Current Pensioners	20.7 years	23.8 years
Future Pensioners*	22.1 years	25.3 years
Homes Plus Scheme 2	**Males**	**Females**
Current Pensioners	20.9 years	24.0 years
Future Pensioners*	21.6 years	24.9 years

* Figures assume members aged 45 as at the last formal valuation date

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

a) Staffordshire County Council Scheme (continued)

Categories of plan assets as a % of total plan assets	2024	2023
	%	%
Equities	66	68
Bonds	25	22
Property	7	8
Cash	2	2

Information about defined benefit obligation before surplus restrictions	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Active members	13,603	20,583	12,426	17,722
Deferred members	6,759	21,151	6,629	25,654
Pensioner members	6,319	28,779	6,342	25,326
Unfunded obligations	-	51	-	52
Closing Liabilities	**26,681**	**70,564**	**25,397**	**68,754**

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

Net pension liability	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Fair value of employer assets	40,510	98,087	35,647	88,020
Present value of scheme liabilities	(26,681)	(70,564)	(25,397)	(68,691)
Net (under)funding in funded plans	13,829	27,523	10,250	19,329
Present value of unfunded liabilities	-	-	-	(63)
	13,829	27,523	10,250	19,266
Effect of net asset ceiling*	(13,829)	(30,681)	(10,001)	(22,536)
Net pension (liability)	**-**	**(3,158)**	**249**	**(3,270)**

* We have elected to cap a surplus £30,708k (2023: £22,919k) on the asset celling of two schemes to £27k (2023: £383k) for the Group. For Housing Plus the parent we have capped the surplus of £13,829k (2023: £10,250k) to £0 (2023: £249k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
a) Staffordshire County Council Scheme (continued)

Amounts charged to operating surplus	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	**£'000**	**£'000**	**£'000**
Current service cost*	(844)	(1,116)	(1,562)	(2,183)
Past service cost	-	-	-	(13)
Total operating charge	(844)	(1,116)	(1,562)	(2,196)
Amount charged to financing costs				
Interest income on plan assets	1,720	4,203	1,025	2,626
Interest cost on defined benefit obligation	(1,228)	(3,279)	(1,053)	(2,810)
Interest on the effect of the asset ceiling	(480)	(1,082)	-	-
Total net interest	12	(158)	(28)	(184)
Total defined benefit cost recognised in surplus for the year	**(832)**	**(1,274)**	**(1,590)**	**(2,380)**

* The Service Cost figures include an allowance for administration expenses of 0.8% of payroll.

Re-measurements recognised in Other Comprehensive Income	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	**£'000**	**£'000**	**£'000**
Change in financial assumptions	843	1,977	16,710	38,878
Change in demographic assumptions	381	1,050	1,151	1,792
Other experience	(889)	(2,457)	(4,641)	(10,009)
Effect of movement in net asset ceiling	(3,348)	(7,063)	(10,001)	(21,920)
Return on assets (excluding amounts included in net interest)	2,786	6,812	(1,699)	(4,353)
Total re-measurements recognised in Other Comprehensive Income	**(227)**	**319**	**1,520**	**4,388**

Reconciliation of defined benefit obligation	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	**£'000**	**£'000**	**£'000**
Opening defined benefit obligation	**25,397**	**68,754**	**36,951**	**100,224**
Current service cost	844	1,116	1,562	2,183
Past service cost	-	-	-	13
Interest cost	1,228	3,279	1,053	2,810
Contributions from members	336	422	314	409
Actuarial losses/ (gains)	(335)	(570)	(13,952)	(34,602)
Estimated unfunded benefits paid	-	(3)	-	(3)
Estimated benefits paid	(789)	(2,434)	(531)	(2,280)
Closing defined benefit obligation	**26,681**	**70,564**	**25,397**	**68,754**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

a) Staffordshire County Council Scheme (continued)

Reconciliation of fair value of employer assets	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Opening fair value of employer assets	**35,647**	**88,020**	**36,223**	**94,026**
Expected return on assets	2,786	6,812	(2,431)	(8,294)
Interest income on plan assets	1,720	4,203	1,025	2,626
Contributions from members	336	422	314	409
Contributions from employer	810	1,064	1,047	1,533
Contributions in respect of unfunded benefits	-	3	-	3
Unfunded benefits paid	-	(3)	-	(3)
Benefits paid	(789)	(2,434)	(531)	(2,280)
Closing fair value of employer assets	**40,510**	**98,087**	**35,647**	**88,020**

b) Shropshire County Council Scheme

Home Plus participates in the Local Government Pension Scheme, which is a multi-employer defined benefit Scheme, is funded and is contracted out of the state scheme.

The latest triennial valuation of the scheme was carried out as at 31 March 2022. The funding position at 31 March 2022 is a surplus of £4,006k. (Assets £45,279k, Liabilities £41,273k, funding level 110%).

The disclosures necessary in respect of FRS102 are shown in various tables below. The actuary has estimated that the net pension asset/liability as at 31 March 2024 is an asset of £5,318k (2023: £749k). The extent to which the surplus can be recognised has been determined by assessing the economic value available form the surplus, by deducting the net present value of future service related contributions from the net present value of future benefits accruing. For 2024, the surplus recognised is a liability in the statement of financial position of £225k (2023: £nil).

Assumptions	2024	2023
	%p.a.	%p.a.
Salary increases	3.25%	3.30%
Pension increases	2.75%	2.80%
Discount rate	4.90%	4.80%

The life expectancy is based on the Fund's VitaCurves and based on these assumptions, the average future life expectancies at age 65 are summarised below:

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
b) Shropshire County Council Scheme (continued)

	Males	Females
Current Pensioners	21.8 years	24.3 years
Future Pensioners*	22.8 years	25.7 years

* Figures assume members aged 45 as at the last formal valuation date.

Categories of plan assets as a % of total plan assets	**2024**	**2023**
	%	**%**
Equities	57	51
Bonds	15	19
Property	3	3
Alternatives	24	26
Cash	1	1

Reconcialtion of the effect of the net asset ceiling	**2024**	**2023**
	£'000	**£'000**
Opening asset ceiling	749	-
Interest on asset ceiling	36	-
Movement in asset ceiling recognised through OCI (as a remeasurement)	4,533	749
Asset ceiling	5,318	749
Surplus recognised (IAS19)	-	-
Closing net asset ceiling	**5,318**	**749**

Net pension liability	**2024**	**2023**
	£'000	**£'000**
Fair value of employer assets	46,443	42,496
Present value of funded obligations	(41,125)	(41,514)
Net (under)funding in funded plans	5,318	982
Present value of unfunded liabilities	(225)	(233)
	5,093	749
Effect of net asset ceiling	(5,318)	(749)
Net pension (liability)	**(225)**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
b) Shropshire County Council Scheme (continued)

Amount charged to operating surplus	**2024**	**2023**
	£'000	**£'000**
Current service cost	(341)	(659)
Past service cost	-	-
Administration expense	(14)	(15)
Effects of curtailments	-	-
Total operating charge	(355)	(674)
Amount charged to financing costs		
Interest income on plan assets	2,015	1248
Interest cost on defined benefit obligation	(1,968)	(1,512)
Interest on asset ceiling	(36)	-
Total net interest	11	(264)
Total defined benefit cost recognised in income statement for the year	**(344)**	**(938)**

Re-measurements recognised in Other Comprehensive Income	**2024**	**2023**
	£'000	£'000
Change in financial assumptions	916	19,839
Change in demographic assumptions	613	312
Other experience	(304)	(6,431)
Effect of movement in net asset ceiling	(4,533)	(749)
Return on assets (excluding amounts included in net interest)	2,990	(2,803)
Total re-measurements recognised in Other Comprehensive Income	**(318)**	**10,168**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
b) Shropshire County Council Scheme (continued)

Reconciliation of defined benefit obligation	2024	2023
	£'000	£'000
Opening defined benefit obligation	**41,747**	**54,791**
Current service cost	341	659
Past service cost	-	-
Interest cost	1,968	1,512
Contributions from members	117	122
Actuarial losses/ (gains)	(1,225)	(13,720)
Result on curtailments	-	-
Estimated benefits paid	(1,598)	(1,617)
Closing defined benefit obligation	**41,350**	**41,747**

Reconciliation of fair value of employer assets	2024	2023
	£'000	£'000
Opening fair value of employer assets	**42,496**	**45,082**
Expected return on assets	2,990	(2,803)
Interest income on plan assets	2,015	1,248
Contributions from members	117	122
Contributions from employer	437	479
Administration expenses	(14)	(15)
Unfunded benefits paid	-	-
Benefits paid	(1,598)	(1,617)
Closing fair value of employer assets	**46,443**	**42,496**

History of gains and losses	2024	2023
	£'000	£'000
Fair value of employer assets	46,443	42,496
Net asset ceiling	(5,318)	(749)
Present value of defined benefit obligations	(41,350)	(41,747)
Surplus/ (deficit)	**(225)**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

c) Housing Plus Pension Scheme

The Association participates in the Housing Plus Pension Scheme which is a defined benefit Scheme in the UK. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). The Scheme holds the pension scheme assets to meet long term pension liabilities. Scheme liabilities at 31 March 2023 were based on data used to calculate the amount of assets to be transferred on 31 October 2018, updated by a qualified actuary, independent of the Association. The major assumptions used by the actuary are shown below.

The latest triennial valuation of the scheme was carried out as at 30 September 2022. The results are still being finalised.

The latest triennial valuation of the scheme was carried out in September 2022. The results are showed a deficit of £1,219,000. An agreement was put into place to clear the deficit by 31st March 2024.

The actuary has estimated that the net pension asset/ liability as at 31 March 2024 is a an asset of £292k (2023: liability £10k). The extent to which the surplus can be recognised has been determined by assessing the economic value available form the surplus, by deducting the net present value of future service related contributions from the net present value of future benefits accruing. For 2024, the surplus recognised in the statement of financial position is £nil.

We have 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 . It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, 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.

Financial assumptions	2024	2023
	%p.a.	%p.a.
Discount rate	4.90%	4.80%
Inflation (RPI)	3.05%	3.15%
Inflation (CPI)	2.75%	2.80%
Deferred revaluation	3.05%	3.15%
Pension increases		
- CPI max 5% p.a.	2.70%	2.74%
- CPI max 3% p.a.	2.20%	2.22%

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
c) Housing Plus Pension Scheme

Demographic assumptions as at	2024	2023
Mortality		
Base Tables	Pre retirement: nil Post retirement: 109% of S3PXA	Pre retirement: nil Post retirement: 113% of S3PXA
Improvement allowance	CMI_2023 (1.25%) for males CMI_2023 (1.25%) for females	CMI_2021 (1.25%) for males CMI_2021 (1.25%) for females
Smoothing parameter	7.0	7.0
Life expectancy from age 65		
Pensioners (currently aged 65)	Male: 21.0 Female: 23.5	Male: 21.3 Female: 23.7
Non-pensioners (currently aged 65)	Male: 22.3 Female: 24.9	Male: 22.6 Female: 25.2
Commutation	90% of maximum allowance	90% of maximum allowance
Other demographic assumptions	As per most recent Technical Provisions assumptions	As per most recent Technical Provisions assumptions

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
c) Housing Plus Pension Scheme (continued)

Categories of plan assets	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Equities	171	565	12	39
Bonds	1,587	5,227	1,335	4,401
Property	104	342	164	542
Other	725	2,390	970	3,196
Total market value of assets	**2,587**	**8,524**	**2,481**	**8,178**

Net pension liability	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Fair value of employer assets	2,587	8,524	2,481	8,178
Present value of scheme liabilities	(2,498)	(8,232)	(2,484)	(8,188)
Surplus/ (deficits)	89	292	(3)	(10)
Effect of asset celling	(89)	(292)	-	-
Net pension (liability)	**(0)**	**-**	**(3)**	**(10)**

Amount charged to operating surplus	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Administration expense	(31)	(102)	(31)	(101)
Settlement losses/ (gains)	-	-	-	-
Total operating charge	(31)	(102)	(31)	(101)
Amount charged to financing costs				
Interest income on plan assets	124	408	100	331
Interest cost on defined benefit obligation	(119)	(391)	(110)	(362)
Total net interest	5	17	(10)	(31)
Total defined benefit cost recognised in income statement for the year	**(26)**	**(85)**	**(41)**	**(132)**

Re-measurements recognised in Other Comprehensive Income	2024		2023	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Change in financial assumptions	87	286	1,642	5,412
Change in demographic assumptions	19	63	123	404
Other experience	(29)	(95)	(239)	(789)
Return on assets (excluding amounts included in net interest)	(222)	(733)	(1,306)	(4,305)
Effect of movement in net asset ceiling	(89)	(292)	-	-
Total re-measurements recognised in Other Comprehensive Income	**(234)**	**(771)**	**220**	**722**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)
c) Housing Plus Pension Scheme (continued)

Changes in assets/ (liabilities) during the year	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	£'000	£'000	£'000
Opening Surplus/ (deficit) at the start of the period	**(3)**	**(10)**	**(447)**	**(1,469)**
Net interest cost	5	17	(10)	(31)
Expenses	(31)	(102)	(31)	(101)
Re-measurements included in other comprehensive income	(234)	(771)	221	722
Employer contribution	263	866	264	869
Surplus/ (deficit) at the end of the period	**-**	**-**	**(3)**	**(10)**

Change in liabilities during the year	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	£'000	£'000	£'000
Opening liabilities	**2484**	**8188**	**3941**	**12988**
Interest cost on defined benefit obligations	119	391	110	362
Benefits paid	(28)	(93)	(41)	(135)
Actuarial (gain)/ loss on changes in assumptions	(106)	(349)	(1,765)	(5,816)
Experience (gain)/ loss on liabilities	29	95	239	789
Closing Liabilities	**2498**	**8232**	**2484**	**8188**

Reconciliation of fair value of employer assets	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	£'000	£'000	£'000
Opening fair value of employer assets	**2,481**	**8,178**	**3,495**	**11,519**
Expected return on assets	(222)	(733)	(1,306)	(4,305)
Interest income on plan assets	124	408	100	331
Contributions from members	0	0	0	0
Contributions from employer	263	866	264	869
Administration expenses	(31)	(102)	(31)	(101)
Unfunded benefits paid	0	0	0	0
Benefits paid	(28)	(93)	(41)	(135)
Closing fair value of employer assets	**2,587**	**8,524**	**2,481**	**8,178**

Reconcialtion of the effect of the net asset ceiling	2024 Parent	2024 Group	2023 Parent	2023 Group
	£'000	£'000	£'000	£'000
Opening asset ceiling	-	-	-	-
Interest on asset ceiling	-	-	-	-
Movement in asset ceiling recognised through OCI (as a remeasurement)	89	292	-	-
Asset ceiling	89	292	-	-
Surplus / (defecit) recognised (IAS19)	-	-	-	-
Closing net asset ceiling	**89**	**292**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pension liability

As detailed in note 23, the Group had the following provisions during the year:

	Staffordshire LGPS	Shropshire LGPS	HPPS	Total
	£'000	£'000	£'000	£'000
At 1 April 2023	(3,270)	-	(10)	(3,280)
Additions/(reductions) dealt within surplus/deficit	(49)	82	764	797
Additions/(reductions) dealt within other comprehensive income	319	(318)	(771)	(770)
Interest costs	(158)	11	17	(130)
At 31 March 2024	**(3,158)**	**(225)**	**-**	**(3,383)**
Asset	27	-	-	27
Liability	(3,185)	(225)	-	(3,410)
At 31 March 2024	**(3,158)**	**(225)**	**-**	**(3,383)**

The Parent had the following liabilities during the year:

	Staffordshire LGPS	HPPS	Total
	£'000	£'000	£'000
At 1 April 2023	249	(3)	246
Additions/(reductions) dealt within surplus/deficit	(34)	232	198
Additions/(reductions) dealt within other comprehensive income	(227)	(234)	(461)
Interest costs	12	5	17
At 31 March 2024	**-**	**-**	**-**
Asset	-	-	-
Liability	-	-	-
At 31 March 2024	**-**	**-**	**-**

Pension liability – LGPS

The Staffordshire and Shropshire LGPS pension schemes are multi-employer defined benefit schemes. Each year the scheme actuary values the assets and liabilities of the scheme using a set of assumptions. Changes in assumptions and performance of the assets/liabilities in the year means that the present value of the defined benefit obligation is subject to uncertainty.

Pension liability – HPPS

The HPPS pension scheme is a defined benefit Scheme in the UK. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). An independent actuary values the assets and liabilities of the scheme using a set of assumptions. Changes in assumptions and performance of the assets/liabilities in the year means that the present value of the defined benefit obligation is subject to uncertainty.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Restricted reserves

Restricted reserves constitute surpluses accruing from sales of LSVT units under the Right to Buy scheme. The receipts are to be used solely for the provision of new housing or disabled facility grants, subject to approval by the relevant local authority.

26. Reconciliation of surplus to net cash flow from operating activities

GROUP	Year Ended 31 March 2024	Year Ended 31 March 2023
	£'000	£'000
Surplus for the year	**10,359**	**8,060**
Adjustments for non cash items:		
Amortisation	(1,322)	(1,320)
Depreciation & Impairment	17,548	16,685
(Increase) in stock	(654)	(10,686)
(Increase) in trade and other debtors	(627)	(522)
(Decrease) in trade and other creditors	(586)	3,322
Pension costs less contributions payable	(667)	568
Valuation Movements	(608)	(382)
Movement in sinking fund	225	129
Non cash amount of tangible fixed asset disposals	-	3,366
	13,309	11,160
Adjustments for investing or financing activities:		
Surplus from the sale of tangible fixed assets	(3,874)	(4,129)
Government grants utilised in the year	-	-
Interest payable	21,763	17,932
Interest received	(85)	(94)
	17,804	13,709
Cash flow from operations	**41,472**	**32,929**

27. Analysis of changes in net debt during year

GROUP	Year Ended 31 March 2024	Cash Flow	Year Ended 31 March 2023
	£'000	£'000	£'000
Cash at bank and in hand	3,558	(7,787)	11,345
Short Term Deposits	7	-	7
	3,565	(7,787)	11,352
Housing loans due within one year	(3,353)	6,490	(9,843)
Housing loans due after one year	(426,450)	(7,124)	(419,326)
Loan arrangement fees	1,416	328	1,088
Total changes in net debt	**(424,822)**	**(8,093)**	**(416,729)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Related party transactions

Transactions with non-regulated members of the Group

	2024 - Parent		
	Care Plus	Severn Homes Ltd	Development Worx
	£'000	£'000	£'000
Inflow			
Services provided	801	500	9
Total	**801**	**500**	**9**
Outflow			
Services received	-	-	
Total	**-**	**-**	**-**

	2023 - Parent		
	Care Plus	Severn Homes Ltd	Development Worx
	£'000	£'000	£'000
Inflow			
Services provided	859	56	50
Total	**859**	**56**	**50**
Outflow			
Services received	-	-	-
Total	**-**	**-**	**-**

At the year end the following net trading and loan balances were due from/ (to) non regulated entities

	Parent	
	2024	2023
	£'000	£'000
Care Plus	68	89
Severn Homes	829	132
Development Worx	12	50
Total	**909**	**271**