



**Croydon Churches Housing Association Limited  
Financial Statements  
For the Year Ended 31 March 2024**

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## Croydon Churches Housing Association Limited

### Board, Executive & Advisers

#### Board and Independent Members

Heather Thomas (Resigned March 2024 Chair of ccha)  
Maureen Adams (Appointed Jan 2024, April 2024 Chair of ccha)  
Neil Perrins (Chair of Audit and Risk Committee)  
Julian Chun (Chair of Development Committee)  
Mark Collins (Chair of Remuneration and Nomination Committee)  
Tracy Cullen (CE of ccha)  
Jim Dean (Appointed July 2023)  
Matthew Hayday (Appointed July 2023)  
Pamela Vera (Appointed July 2023)  
David Hall (Appointed March 2024)  
Bruce Shelmerdine (Appointed March 2024)  
Felicity Gentle (Appointed September 2023)  
Nasreen Hussain (Appointed July 2023, Resigned August 2023)  
Phiroze Dastur Mackenzie (Independent Committee member)  
Christopher Newman (Appointed August 2023 - Independent Committee member)  
Nathan Gravesande (Resigned March 2024)  
Carolyn Porretta (Resigned June 2023)

#### Secretary and Registered Office

Chris Abad  
29 Sheldon Street  
Croydon  
CR0 1SS

#### External Auditors

Beever and Struthers  
150 Minories  
London  
EC3N 1LS

#### Internal Auditors

RSM Risk Assurance Services LLP  
25 Farringdon Street  
London  
EC4A 4 AB

#### Bankers

Natwest  
County Gate 2  
Stacey's Street  
Maidstone

#### Executive Officers / Leadership Team

Tracy Cullen	Chief Executive
Chrishanti Shah	Director of Finance and Resources
Sarah Revett	Director of Customers
Steve Fox (Resigned May 2023)	Director of Homes
Dinendra Dharmasuriya (Appointed July 2023)	Director of Homes

Registered under the Co-operative and Community Benefit Societies Act 2014 (17772R)  
Regulator of Social Housing Registration No. LH0495

## Board Report

### Report of the Board of Management

The Board present the financial statements for the year ended 31 March 2024.

#### PRINCIPAL ACTIVITY

Croydon Churches Housing Association Limited's ("ccha") principal activities are the development and management of social housing. ccha provides homes for families, couples and single people, accommodation for older people and supported accommodation for those who need support as well as a home to live in.

#### REVIEW OF RESULTS

ccha made an overall surplus of £762k for the year ended 31 March 2024 before the recognition of the multi-employer defined benefit scheme. This compares to a surplus of £1.05m for the year ended 31 March 2023.

#### BUSINESS AND STRATEGIC PLANS

ccha's vision is "delivering on our promises" and we work to a key set of values which underpin the culture of the organisation which are:



To help achieve the vision we are in Year 4 of our 5 year business plan "ccha2025"

Our Plan has five key priorities for the five years:

- Resident voice
- Our people (staff and partners)
- Safety – landlord, employer, business
- More homes – affordable, good quality, sustainable
- Better value for money – performance, risk and services

With an overarching commitment to ensure all activities are linked to our community.

## Board Report

### EMPLOYEES

The Association's policy is to consult directly with employees through quarterly staff briefings and regular team meetings. Additional information is given through internal communications systems.

Emphasis is placed on training for all staff using both internal and external facilities to encourage staff in personal development. Suitable procedures are in operation to support ccha's policy that disabled persons shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

The Association employs specialist consultants, Citation PLC, to advise its managers on complying with all aspects of legislation in relation to employees. They provide a dedicated helpline and training facilities on forthcoming legislation, including changes on age discrimination and EEC Directives.

### EQUALITY AND DIVERSITY

As a housing provider and employer, we can reduce the disadvantages that some people experience, by making our services more responsive and accessible to a diverse range of individual and community needs. We are committed to listening to our internal and external customers and involving them in the development of services and recognising the value of their diversity. We want our colleagues to feel that in everything they do they are valued and are making a difference and that the Board actively promotes fairness and the elimination of prejudice in all the activities of the Association.

During our previous business plan Commitment2020, we signed up to the Chartered Institute of Housing Equality and Diversity Charter and delivered a number of initiatives through this including detailed and impactful resident surveys, support for the Legacy Youth Zone, promotion of ccha's Horizon programme which tackles worklessness and offering residents digital workshops.

This ED&I strategy supports the new business plan ccha2025 and underpins our commitment to promote equality, diversity, and inclusion (ED&I), and to meet the needs and expectations of all our employees and customers. Our goal is for our workforce to be truly representative of all sections of society, and for each employee and customer to feel respected and valued.

As an organisation we have committed to a renewed focus on ED&I over the next 5 years with four key strategic objectives detailed below to give an overview of ccha's plan moving forward.

- The organisation has a clear idea of its strengths and weaknesses with regards to equality, diversity and inclusion and areas for development.
- Equality, Diversity, and Inclusion is core to the organisations values and ethos and communicated to staff, residents, and service users.
- Prejudice-related incidents are dealt with effectively and staff, customers and contractors have confidence in the process.
- A diverse team with engaged and talented staff who are innovative and truly understand customer needs.

### BOARD OF MANAGEMENT

The Board comprises 10 members. The overall role of the Board is to direct ccha in accordance with its rules and objectives on behalf of the shareholders, tenants, employees and community at large. The Board meets at least six times a year. The Board members as at 31 March 2024 are listed on page 3.

### LEADERSHIP TEAM

The Leadership Team comprises those Senior Managers listed on page 3. They are responsible for the day to day management of ccha within the authority delegated by the Board.

## Board Report

### Annual Statement of Internal Controls 2023/24

#### Introduction

The Regulator for Social Housing (RSH) is responsible for the regulation of social housing providers in England. It has two distinct roles set out in statute in relation to economic and consumer regulation. Both documents emphasise the RSH's general approach as being one of co-regulation with more responsibility on the Board to ensure compliance against both the consumer and the economic standards.

The Board are required annually to confirm compliance of the regulatory standards within the financial statements. For them to have confidence in providing this assurance, they must satisfy themselves that they have the correct monitoring tools and reporting mechanisms in place to ensure that we remain compliant with all regulatory standards.

This report outlines what our main monitoring and reporting mechanisms are and aims to provide assurance to the Board that we are compliant with all relevant regulatory standards.

#### Compliance with the RSH Regulatory Standards

##### Consumer Standards

The Consumer Standards covers compliancy with Tenant Involvement and Empowerment, Home, Tenancy, and Neighbourhood and Community. There was a new set of consumer standards from 1 April 2024 but this is the last year that we are required to report against the old standards. The new Tenant satisfaction measures have been introduced already and we will be publishing our results from this year on the website.

In the current standard the RSH can only use its regulatory and enforcement power if they think that there has been a failure to meet a consumer standard and there are reasonable grounds to suspect that:

- the failure has resulted in serious detriment to the provider's tenants (or potential tenants), or
- there is significant risk that, if no action is taken by the regulator, the failure will result in serious detriment to the provider's tenants (or potential tenants).

For the purposes of reporting compliance against 2023-24, we have used our own self-assessment tool, and believe that we are fully compliant with the requirements of the consumer standards.

The economic standards relate to governance and financial viability, value for money and rent. The RSH will review information such as the financial statement, the business plan, financial forecast return and the value for money statement annually and provide a grading based upon this information. They are looking for assurance in the following areas:

- Governance
- Financial strength
- Risk management and risks to social assets including stress testing
- Vulnerability to covenant breaches
- Liquidity

##### Governance

There is a greater emphasis on good governance and risk management in the latest standards in recognition of the government's requirement for co-regulation.

## Board Report

This February 2024, we were informed that following the satisfactory completion of our IDA action plan, the RSH were reinstating our V1 G1 status.

Last year, we introduced a new self-assessment tool which had been previously recommended by governance consultants Campbell Tickell. They believe this checklist is more appropriate for an organisation our size and complexity and combines all aspects of regulations, governance, financial viability, and legal compliance.

We believe that we are fully compliant with all aspects of the NHF Code of Governance 2020.

### Financial Viability

The Board developed and approved the five-year plan ccha2025 and Year 5 objectives have been approved by the Board. Progress, achievements, and areas of concern are reported to the Board at least annually. A full financial plan linked to the business plan is stress tested and approved by the Board annually.

We are financially viable and have a good surplus which is invested in the services provided to our residents and new homes. We have an Assets and Liability register which is reviewed and updated regularly. We have an approved Asset management strategy, and an active asset management report is brought to the Board annually to update them as to the performance of all our assets and appraise them of actions we are taking on any non-performing assets. This information is linked to our long-term financial plan.

Covenants for gearing and interest cover are met, and our financial plans are designed to remain within a set margin (Golden rules) of the covenants, including stress tested scenarios for significant risks which may affect our future. The board have also approved trigger limits set on our key covenants which they would need to be informed of if reached.

The Board approved a new risk management framework and board assurance framework and a risk appetite Statement in July 2023 following on from a risk workshop at the May 2023 Board strategy day. The Risk Appetite Statement includes specific acceptable limits and criteria for new development within both ccha and cchadl, our "for profit" development company. It also states the limits for on-lending from ccha group to the subsidiary to contain risk within manageable limits. The risk appetite statement is reviewed by the Board annually

We provide an annual Value for Money (VfM) Statement which is published within our financial statements and on the website as a separate document, this includes performance against the RSH's Value for Money metrics.

We adhere to the new Rent Standard published in April 2020 and the Welfare Reform and Work Act 2016 for all our existing and new residents. We will operate within the guidelines set out in the document and through the government's guidance to the regulator.

We believe that we are fully compliant with the financial viability standards set out by the Regulator.

### Legal compliance

We are required to ensure that the organisation "adheres to all relevant law" and as such we have included a section on legal compliance within our self- assessment tool. From this we believe that we are fully compliant and adhere to all relevant law appropriate for our business and it is our intention to include a statement in our financial statements declaring our compliance to all relevant law.

## Board Report

### Performance Indicators

A set of Special Performance Indicators (SPIs) are developed annually to represent all critical aspects of the business. These are presented to the Board for approval annually together with proposed targets. Once the Board has approved the SPIs, they are provided quarterly together with an exception report which identifies any failures and mitigating actions along with any areas which have gone particularly well in that quarter. The new SPIs for 2024-25 were approved by the Board in February 2024.

### Audit

#### Internal Audit Function

Our internal audits for 2023-24 were undertaken by RSM. The Audit and Risk Committee (ARC) review and approve an annual plan at the start of each year, the audit plan which is linked to the key risk areas of the business was approved in February 2023 for 2023-24 and covered the following areas:

- Complaints and feedback (reasonable assurance)
- Business and Financial Planning (substantial assurance)
- Governance over Development Strategy (reasonable assurance)
- Fraud risk assessment (advisory)
- Follow up (reasonable progress)

All internal audit reports are presented by RSM at the ARC meetings and ARC members have the right to ask for discussion time without the Leadership Team present. The Chair of the ARC updates the Board on the results of the audits through the ARC update highlighting any areas of concern. The Board pack will also include the minutes of the ARC meetings.

No incidents of fraud or Cyber Security breaches have been reported during the year that have caused us loss and the Board considers that appropriate policies and procedures are in place to deal with fraud. This view is supported by our internal auditors though our internal audit on Fraud and Bribery carried out this year.

The external audit plan is produced by Beevers and Struthers and presented to the ARC annually for approval. The results of the external audit are presented by Beevers and Struthers to the ARC and the ARC can speak to the auditors without the Leadership Team present. The external auditors will also report to Board annually.

#### External Audit Function

Our financial statements are subject to external audit and continually receive unqualified audit reports. The appointment of Beevers and Struthers as our external auditors for 2023-24 was approved at the AGM in September 2023.

### Risk Management

The Audit and Risk Committee (ARC) meet four times during the financial year and reports its activities to the Board through ARC updates from the Chair at Board meetings. The meeting minutes and all ARC papers are provided to Board members for information. The ARC and the Board regularly review their terms of reference which highlight the relationship between the Board and committee.

## Board Report

The Board reviews the top strategic risks, controls, and assurances quarterly through the ARC updates and minutes to ensure that it is current and reflects the true risks to the business.

The Board requires assurance that critical controls to manage the key risks are in place and are effective. This assurance is provided by a combination of methods, including independent assurance from auditors and benchmarking services as well as performance monitoring.

The IDA action plan focussed on improvements to our internal Risk Management and these actions have now been completed and demonstrated to the Regulator.

As part of the Action Plan, a new risk management policy and a new Risk Appetite Statement was approved by Board in July 2023 and is reviewed annually.

The ARC is also responsible for reporting on risk management of cchadl to the Board and where necessary highlighting any concerns.

We engage Hargreaves Risk and Strategy (HRS) as a key partner/adviser to support us in the management of risk and advise us on good practice throughout the sector. They undertake a full review of our risk management provision annually which is presented to the ARC and the Board by a representative of HRS. As part of the review, HRS look at our current practice against changes in the sector and report on trends in the risk drivers since the previous report as well as both internal and external sources of risk.

Changes to the risk register and key controls are discussed and agreed monthly with the Leadership team and discussed quarterly at ccha's Senior Management team meetings.

## Value for Money Statement

### VALUE FOR MONEY STATEMENT – 2023-24

At ccha, we take pride in our mission to provide decent, safe, and affordable homes to our local community in Croydon, Sutton, and Bromley. Since we were founded in 1967, we have been deeply rooted in this community, weathering challenges and evolving to meet the needs of our residents.

We are proud to create sustainable communities by forging strong local partnerships, local initiatives like our estate action days and Legacy Youth Zone and working closely with residents to increase our social value. We are also committed to developing more homes to meet the increasing demand in our community. We currently provide just under 1600 homes in the area.

Value for money (VFM) is extremely important to ccha, as we want to ensure our limited resources are being used effectively to achieve our strategic objectives, be able to meet the demand for our services, have a positive impact on our customers and bring value to the communities we work with and provide a home for. We aim to manage our costs to maximise the resources available and identify and implement improvements in the way we work to bring about efficiency savings. This is also supported by providing more affordable homes for the area, which will bring economies of scale.

We understand that expectations of our residents have increased alongside that of the regulator of social housing, but we continually set our actions on reaching these.

We are still operating in an area where housing is in short supply compared to the demand. We therefore recognise that the supply of genuinely affordable housing for rent, and sale needs to be increased and that many people in our community, particularly those on lower income and on state benefits are seeing their income fall in real terms. We therefore need to continue to develop to meet the needs of the community and in turn will help us become more cost effective. We have a programme to build 103 more homes over the next two years with the support of the GLA's Affordable Homes Programme 21-26.

In our current economic landscape, we encounter significant challenges. We meticulously document internal and external pressures in our risk register, diligently monitoring and controlling them. Notably, last year's unprecedented inflation surge in the UK affected both our residents' cost of living and our organisational cost base. Despite the recent reduction in inflation to manageable levels, the impact remains.

This year we have improved our Customer Relationship Management software and increased investment in our customer service team which has helped to ensure that calls are returned and recorded.

Our new hybrid way of working means that we are servicing a smaller office which in turn has brought operational efficiency and improved collaboration. We moved to SharePoint last year, which has been fully adopted and embedded this year. SharePoint has encouraged collaborative working and has improved the efficiency of the document review process.

This year we have launched our CRM module which enables staff to make communication notes on each resident. 2024/25 sees us reviewing our IT processes and ensuring they are consistent, efficient, documented and adopted by all staff.

We continue to move forward in strength, with new effective and efficient ways of working, able to grow our capabilities and expand on our potential, to support our residents, and develop new affordable homes.

More than ever, our strategic VFM aim remains the same to achieve **Median Quartile Cost and Upper Quartile Quality**. Our headline cost per unit serves as a metric for assessing our value-for-money (VfM) expenditure. In the 23-24 period, we achieved our aim of the medium quartile compared to our peers. Our TSM results gauge the quality of the service we provide. In 23-24, all our results were above the median and eight were upper quartile compared to our peers of London RPs with under 10,000 homes (as reported in Housemark's July 2024 TSM year-end benchmarking report). While customer satisfaction remains an area for improvement, we've made progress this year and aim to reach upper quartile in the remaining four areas in the coming year.

## Value for Money Statement

### Resident Safety and Wellbeing

ccha are proud to report **100% Landlord Compliance** at the end of 2023-24. This year our Audit and Risk Committee oversaw steady state audits into each of the top six areas which were externally undertaken by Tersus Group. All audits had substantial or reasonable assurance.

We have improved the damp and mould reporting and management processes so that it is live data reported through our CRM system and we have ensured that #everyvisitcounts to gain access to all properties to inspect and will continue to monitor and keep track of damp and mould cases.

The team have been working to improve the energy efficiency of our homes and now have over 90.2% homes with an EPC-C rating or above. We are currently working on a programme to address any homes which are energy rated below EPC-C by March 2026.

The cost of living this year has risen to financially challenging levels which has had a significant impact on our residents. Despite this, we have finished the year in a strong position in terms of our overall rent arrears figure and have achieved our targets for both residents on universal credit and those not on universal credit. We invest in this service as it provides much needed support for our residents in a financially challenging time. The income management team truly work to our values and their approach is supportive wherever possible.

We have continued to support residents over the phone where residents prefer this approach, saving time on both sides and increasing efficiency of this service.

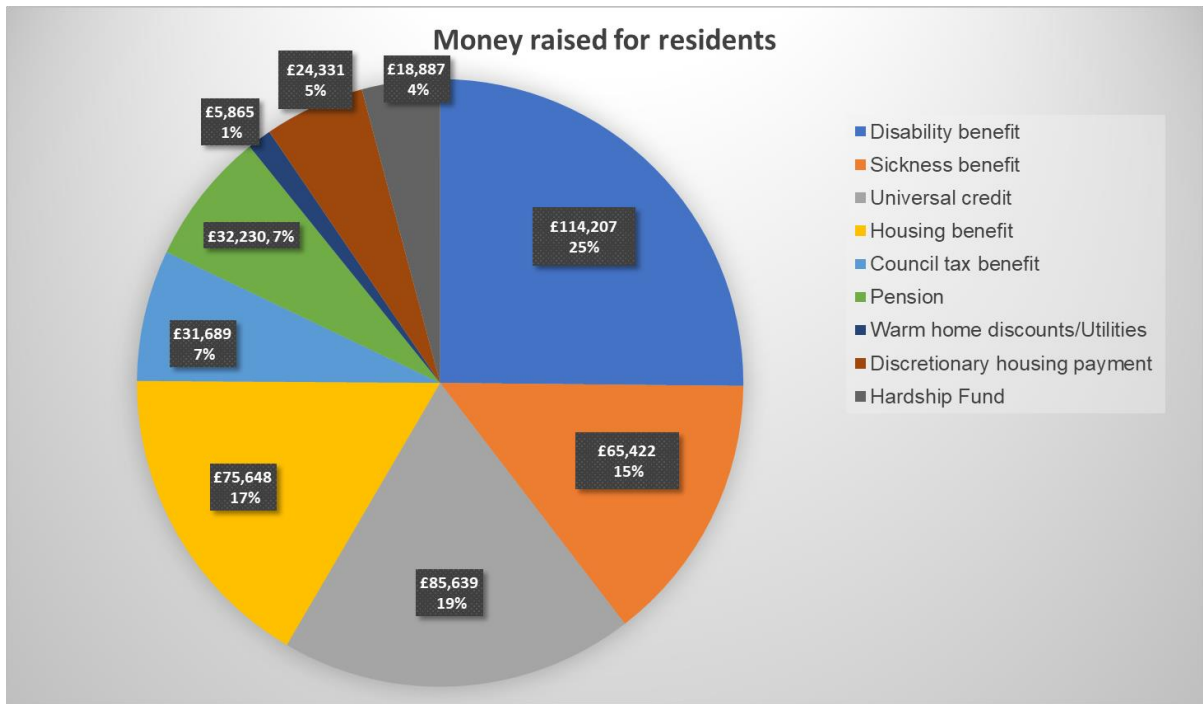
We are proud that our welfare and debt officer service provides significant value for money and is an effective investment that ccha has chosen to support our residents.

This time saved has been matched by the increase in residents needing this service and the requirement of more time speaking to residents to understand their individual circumstances so we could be responsive to this, carrying out affordability assessments to ensure repayment plans are realistic and referring to our Welfare and Debt Advice Officer for additional support where needed. As a result of this, we are pleased that our current arrears figures are at 3.27%. This is an area where the need and support needed has grown and has proved invaluable to our residents. We therefore have budgeted for additional staff support in this area next year.

We are proud of the income maximisation work completed by our income team who have managed to bring in **£454k** for our residents which otherwise would not be available for some of our vulnerable residents.

This year, we enhanced the social well-being of many of our residents, with 432 receiving financial assistance from ccha. Among those, 76% obtained support for their council, disability, or housing benefits.

# Value for Money Statement



We carried out additional work to improve the environment for 174 residents, the majority of which was through estate improvements. This included additional planting and landscaping works to our gardens and communal spaces and improvements to car parking and bin store areas. Our community days enabled us to meet more residents face to face and let them know that we will be more present within the community going forward. We plan to carry out more of these community days within our individual departments which will provide residents with a sense of commitment to changing how we do things to better serve the community. The ccha estate improvement budgeted Fund enabled us to invest just over £11k on these improvements.

We also continue to support residents through our dedicated Hardship Fund with over £18k helping 106 residents in financial crisis to alleviate some immediate needs with things like food, utilities and other essentials.

We have also promoted job and training opportunities to 77 residents through our regular job bulletins to help improve access to work through our partners. We also promoted the Legacy Youth Zone to residents and provided up to seven free holiday places each day for young residents to attend.

## Customer Service

In April 2022, following on from resident consultation, we introduced new customer service standards as part of our strategic approach to customer service. These standards serve as a foundation and will continue to evolve throughout the duration of our customer strategy. To enhance our service, we have added customer service advisor positions, ensuring better support for handling customer inquiries and directing them to the appropriate departments. Additionally, we have implemented rigorous monitoring of these standards, generating monthly reports based on key performance indicators within our CRM system. Any deviations from these standards are promptly addressed. This has seen an increase in 'easy to deal with' to 71% by year end.

We are also really pleased that in Q4, 87% of our residents felt that we treated them fairly and with respect. For 2024/25, in addition to repairs, we want to focus on improving communication and keeping residents informed.

## Customer Satisfaction and Resident Engagement

As of April 2023, all landlords are required to collect 22 Tenant Satisfaction Measures (TSM's) which were submitted to the RSH and publicised by 30<sup>th</sup> June 2024. The results of these show that we are above the median against our peers for all areas and achieving upper quartile for eight of the measures.

## Value for Money Statement

We recognise that customer satisfaction remains stable now and that our initiatives ensured that we did not have a decline in satisfaction. Our goal is to increase satisfaction back up to upper quartile for our Housemark benchmark group by the end of our business plan in March 2025. Though we still have work to do, we are pleased to see an increase in satisfaction over the year resulting in reaching above the median against our peers.

We reduced our overdue repairs down to zero in Q2 where it has been maintained along with low works in progress which has been meticulously and frequently monitored. We hope to see the impact of this focus in the coming year.

In our ongoing efforts to engage residents, we have maintained a good on-site presence. Regular site inspections continue, and we organised a Community Day at three schemes, coffee mornings at all older persons' schemes, and Estate Action Days at seven of our sites. Our Leadership Team also conducts stock tours, visiting two or three schemes every two months. Overall, satisfaction with neighbourhood and communal areas' cleanliness and maintenance remains high, although there was a slight drop in communal cleaning and gardening satisfaction during Q4, which we'll closely monitor.

### Satisfaction overall with services provided by landlord (all ccha residents)

Target	2021/22	2022/23	YE 2023/24
Upper Quartile	66%	62%	63%

## Value for Money Statement

### Staff Wellbeing and Engagement

It is important to ccha to have a motivated workforce, aligned to our strategic objectives and values. We have had a significant focus on our culture plan during the year to meet this objective.

A committed and satisfied team is more likely to provide excellent service to our residents, operating effectively and efficiently. As a result, each staff member contributes to increased value for money. At ccha, we conduct bi-annual 'Pulse' surveys to gain insights into staff sentiments, engagement, and satisfaction. The feedback from these surveys informs our culture plan, driving positive changes. While there have been common themes emerging relating to accountability and workload pressures from this year's survey, we are pleased with the predominantly positive feedback. Staff feel that our organisational culture empowers them to align with ccha's values which is a good foundation for us to have.

We support our staff to maintain a work/life balance and a healthy lifestyle as we recognise that a happy staff team enables good performance and an improved service for our residents. Our wellbeing committee are now an essential part of this.

We have focused our efforts on performance, recruitment and retention during the year. Of the 8 staff who left in the year, two were involuntary and two were retirements. Removing these, drops voluntary staff turnover to 8.08% which is below our target. We expect this to stabilise in 2024/25.

Target	2021/22	2022/23	YE 2023/24
10.50%	20.22%	8.5%	16.16%

The organisation effectively manages the average working days lost due to sickness absence per full-time equivalent (FTE). We continue to monitor this, as we are aware hybrid working can mean staff continue to work from home when they are unwell. Staff members are encouraged to take time off when unwell, as prolonged absence can lead to longer recovery periods. During this absence, they receive strong support. As a result, we have achieved a rate well below our target—just 1.53 days.

Target	2021-22	2022-23	YE 2023-24
4.4 days	3.54 days	10.54 days	1.53 days

### Partnership Working

#### Croydon Youth Zone

We have continued to support the Croydon Youth Zone (Legacy) and promote the Youth Club and Holiday clubs, including a number of free spaces, to all residents that are parents with children ages 8-12. Between 5% and 10% of our residents that this was promoted to took up the offer. We also promote to all tenants with children between 8-19 as the Youth Zone is open all year round after school providing a safe space for children to attend and socialise with their friends, take part in extracurricular activities or do their homework.

#### South East Consortium procurement framework

We joined the South East Consortium in 2021 and have used them for two contract procurements throughout the year saving approximately £50,000 on the cost of a standard consultant. They also offer free training sessions in many aspects of housing and twelve staff have attended their sessions this year. We have also had one staff member attend their future leader's programme.

#### Contractors

We continue to build on our relationship with our contractors to deliver work experience, training and employment opportunities for our residents through our main repairs, gas servicing and estate services contracts. We have also carried out a number of social value activities with our contractors including improving the appearance of our schemes, providing wild meadow areas and bug hotels and a 'Skip for the Day' programme for residents to dispose of bulk waste. Our contractors have joined us in our Estate Action days which have been successful.

## Value for Money Statement

### Support Providers

As part of our strategy for Supported Housing, we have also continued to build on our relationships with Nehemiah, Lookahead and St Mungo's (support providers) and are working with them to lease a number of our homes over the coming year. We also work closely with Hestia and a number of other support providers who support our more vulnerable residents in our supported accommodation. We also continue to work collaboratively with Emmaus including utilising their services to provide upcycled furniture and white goods to those residents with limited resources.

### Value for Money Metrics

We strive to maintain a high-quality service at a low to median cost to ensure that the expectations of our residents and stakeholders continue to be met.

The table below shows the Value for Money metrics as set out in the Value for Money metrics technical note. These have been benchmarked against housing associations with under 5000 homes in the London and South East Area.

VFM METRICS	Actuals			Budget	VfMRSH Median
	2021-22	2022-23	2023-24	2023-24	2022-23
1. Reinvestment %	11.26%	2.89%	2.04%	3.21%	5.10%
2a New Supply Delivered Social Housing	2.59%	2.64%	0.00%	0.00%	0.95%
2b New Supply Delivered Non-Social Housing	0.52%	0.00%	0.00%	0.00%	0.00%
3. Gearing %	35.90%	40.28%	40.09%	38.13%	39.25%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (MRI))	193.24%	129.91%	110.65%	147.29%	95.00%
5. Headline Social Housing Cost Per Unit	£ 5,791	£ 6,889	£ 7,101	£ 7,120	£ 7,197
6a. Operating Margin % (Social Housing)	21.16%	14.76%	19.61%	19.57%	15.30%
6b. Operating Margin% (Overall)	24.20%	14.19%	18.99%	19.67%	14.05%
7. Return on Capital Employed (ROCE)	2.50%	1.78%	2.11%	2.14%	1.75%

### Reinvestment and New supply Delivered.

This area has been impacted by rising building costs and high expectations of land vendors which affects new scheme appraisals. We expect all new developments to be at least cost-neutral; if they cannot yield a positive return, they should cover their own expenses. Unfortunately, these challenges have led to delays in our development program, resulting in a year without any site launches. This has resulted in no new supply during 23-24. However, we have taken proactive steps by re-developing existing sites, with plans to start on-site in the upcoming financial year. However, despite the challenges posed by COVID-19, we've been able to prioritise and increase our planned investment on major repairs and maintenance this year compared to the last few years.

### Gearing

This shows how much debt we have compared to our equity. We have observed an increase in our gearing due to several factors. Firstly, by fully utilising our drawn loans and even repaid our revolving credit facility during the year which was due to mature in April 2024. This strategic move optimises our loan portfolio and prevents excess cash accumulation. This decrease in cash to working capital levels has contributed to the rise in gearing. Furthermore, there has been little increase in the cost of our housing properties. Despite these changes, we remain confident that we have more than 15% headroom on our loan covenants to accommodate any additional drawings.

### EBITDA – Interest Cover

This measures how many times we are able to cover our interest expenses. ccha's interest cover is part of our bank loan covenant along with gearing and is also met with the required headroom of 1.32 against a covenant of 1.10. This year was forecast to be our tightest year in this area but was managed well to ensure that our residents needs were met as a priority and non-essential management costs were reduced. The reduction in profit on our shared ownership sales has contributed to the reduced position coupled with a rise in interest rates which affected our variable rate loans in Q2 and Q3 of the year.

### Headline Social Housing Cost Per Unit

We are pleased to report that though we have focused on short-term efficiency improvements, we have managed to stay below budget and achieve our target of being at median quartile cost. These investments, made for the long-

## Value for Money Statement

term benefit of our residents and stakeholders, has resulted in increased quality of service and better customer care, ultimately delivering greater value for our customers as we see this to have greater impact over the next few years.

As a small organisation with no growth this year, we faced inflationary rises, leading to an increase in our cost per unit compared to last year. However, our careful management of management costs has reduced overall operational expenditure, ensuring that we remain at medium quartile cost and meet our targets in this area.

Moving forward, our continued focus on embedding efficient practices, including rationalising our IT infrastructure and achieving economies of scale, will enhance our efficiency while maintaining and improving service quality.

### **Operating Margin**

Through careful budget monitoring, we have improved on our budgeted social letting operating margin. The reduced headline social cost per unit has supported this operating margin as described.

### **Return on Capital Employed (ROCE)**

At the end of March 2024, our organisation's rate of capital employed (ROCE) stood at 2.11%, just slightly below the budgeted target of 2.14%. Despite investing less in development assets due to program delays, the reduction in our overall surplus aligns with the decrease in assets. Importantly, this decline has minimal impact on our ROCE, which is calculated as the overall surplus divided by the difference between assets and current liabilities.

## Board's Responsibilities in respect of the financial statements

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

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

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

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the group and association and to prevent and detect fraud and other irregularities.

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

### Information for Auditors

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

### Public Benefit Entity

As a public benefit entity, Croydon Churches Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Board Report was approved on behalf of the Board on **16<sup>th</sup> August 2024** and signed on its behalf by:

DocuSigned by:

*Maureen Adams*

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**Maureen Adams**

**Chair**

# Report of the Independent Auditors to the Members of Croydon Churches Housing Association Limited

## Opinion

We have audited the financial statements of Croydon Churches Housing Association Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Report of the Independent Auditors to the Members of Croydon Churches Housing Association Limited

### Matters on which we are required to report by exception

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

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

### Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.


## Report of the Independent Auditors to the Members of Croydon Churches Housing Association Limited

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

### Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers  
Chartered Accountants and Statutory Auditor

150 Minories  
London  
EC3N 1LS

Date 18 September 2024

## Consolidated and Association Statement of Comprehensive Income

	Notes	Year ended 31 Mar 2024		Year Ended 31 Mar 2023	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Turnover	2	15,796	15,381	17,201	14,976
Operating expenditure	2	(12,795)	(12,371)	(14,748)	(12,882)
Gain/(loss) on disposal of property, plant and equipment (fixed assets)	6	-	-	76	76
<b>Operating surplus</b>		<b>3,001</b>	<b>3,010</b>	<b>2,529</b>	<b>2,170</b>
Interest receivable	7	193	405	157	337
Interest payable and financing costs	7	(2,431)	(2,431)	(1,638)	(1,638)
<b>Surplus before tax</b>	<b>8</b>	<b>763</b>	<b>984</b>	<b>1,048</b>	<b>869</b>
Taxation	9	-	-	-	-
<b>Surplus for the year after tax</b>		<b>763</b>	<b>984</b>	<b>1,048</b>	<b>869</b>
<b>Other comprehensive income</b>					
Actuarial (losses)/gains in respect of pension scheme	12	(294)	(294)	(265)	(265)
<b>Total comprehensive income for the year</b>		<b>469</b>	<b>690</b>	<b>783</b>	<b>604</b>

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 16<sup>th</sup> August 2024 and were signed on its behalf by:

**Maureen Adams**  
Board Member, Chair:

DocuSigned by:

*Maureen Adams*

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**Neil Perrins**  
Board Member, Chair (Audit & Risk):

DocuSigned by:

*Neil Perrins*

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**Chris Abad**  
Secretary:

DocuSigned by:

*Chris Abad*

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The consolidated and parent results relate wholly to continuing activities and the notes on pages 24 to 57 form an integral part of these financial statements.

## Consolidated and Association Statement of Financial Position


	Notes	At 31 Mar 2024		At 31 Mar 2023	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	141,710	141,710	139,691	139,691
Investment in subsidiary		-	-	-	-
		<u>141,710</u>	<u>141,710</u>	<u>139,691</u>	<u>139,691</u>
<b>Current assets</b>					
Stock	14	637	637	1,753	1,396
Trade and other debtors	15	2,003	5,054	2,675	4,819
Cash and cash equivalents	16	3,931	3,021	10,133	8,666
		<u>6,571</u>	<u>8,712</u>	<u>14,561</u>	<u>14,881</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(6,361)</u>	<u>(8,283)</u>	<u>(12,259)</u>	<u>(12,581)</u>
<b>Net current assets</b>		<u>210</u>	<u>429</u>	<u>2,302</u>	<u>2,300</u>
<b>Total assets less current liabilities</b>		<u>141,920</u>	<u>142,139</u>	<u>141,993</u>	<u>141,991</u>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(114,677)</u>	<u>(114,677)</u>	<u>(115,192)</u>	<u>(115,192)</u>
<b>Provisions for liabilities</b>					
Pension – defined benefit liability	12	(1,565)	(1,565)	(1,592)	(1,592)
<b>Total net assets</b>		<u>25,678</u>	<u>25,897</u>	<u>25,209</u>	<u>25,207</u>
<b>Reserves</b>					
Non-equity share capital	21	-	-	-	-
Income and expenditure reserve		25,678	25,897	25,171	25,169
Restricted reserve		-	-	38	38
		<u>25,678</u>	<u>25,897</u>	<u>25,209</u>	<u>25,207</u>
<b>Total reserves</b>		<u>25,678</u>	<u>25,897</u>	<u>25,209</u>	<u>25,207</u>

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 16<sup>th</sup> August 2024 and were signed on its behalf by:

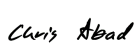
**Maureen Adams**  
Board Member, Chair:

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**Neil Perrins**  
Board Member, Chair (Audit & Risk):

DocuSigned by:  
  
.....8B4C15E2B1DB450.....

**Chris Abad**  
Secretary:

DocuSigned by:  
  
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The notes on pages 25 to 57 form an integral part of these financial statements.

## Statement of Changes in Reserves

### ASSOCIATION

	Income and expenditure reserve £'000	Restricted reserve £'000	Total reserves £'000
<b>Balance as at 1 April 2022</b>	24,565	38	24,603
Total comprehensive income for the year	604	-	604
	<u>25,169</u>	<u>38</u>	<u>25,207</u>
<b>Balance at 31 March 2023</b>			
Total comprehensive income for the year	728	(38)	690
	<u>25,897</u>	<u>-</u>	<u>25,897</u>
<b>Balance at 31 March 2024</b>			

### CONSOLIDATED

	Income and expenditure reserve £'000	Restricted reserve £'000	Total reserves £'000
<b>Balance as at 1 April 2022</b>	24,388	38	24,426
Total comprehensive income for the year	783	-	783
	<u>25,171</u>	<u>38</u>	<u>25,209</u>
<b>Balance at 31 March 2023</b>			
Total comprehensive income for the year	507	(38)	469
	<u>25,678</u>	<u>-</u>	<u>25,678</u>
<b>Balance at 31 March 2024</b>			

The notes on pages 25 to 57 form an integral part of these financial statements.



## Consolidated Statement of Cash Flows

	Year ended 31 Mar 2024 £'000	Year Ended 31 Mar 2023 £'000
<b>Net cash generated from operating activities (see Note i)</b>	1,896	1,654
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(2,874)	(4,007)
Proceeds from sale of tangible fixed assets	1,310	5,138
Grants received	1,738	-
Interest received	193	157
	<u>367</u>	<u>1,288</u>
<b>Cash flow from financing activities</b>		
Interest paid	(2,431)	(1,638)
Repayment of borrowings	(6,034)	(3,041)
<b>Net change in cash and cash equivalents</b>	<u>(6,202)</u>	<u>(1,737)</u>
	10,133	11,870
<b>Cash and cash equivalents at beginning of the year</b>	<u>3,931</u>	<u>10,133</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>3,931</u></u>	<u><u>10,133</u></u>

### Note i

	Year ended 31 Mar 2024 £'000	Year ended 31 Mar 2023 £'000
<b>Cash flow from operating activities</b>		
Surplus for the year	<u>763</u>	<u>1,048</u>
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	1,869	1,719
Decrease/(increase) in stock	1,116	2,792
Decrease/(increase) in trade and other debtors	673	(1,660)
Increase/(decrease) in trade and other creditors	(3,666)	(2,603)
Pension Cost Less Contribution Payable	(374)	(316)
Carrying amount of tangible fixed asset disposals	-	(1)
<b>Adjustments for investing or financing activities:</b>		
Gain/loss on disposal of tangible fixed assets	-	(76)
Government grants utilised in the year	(725)	(730)
Interest and financing costs	2,431	1,638
Interest received	(193)	(157)
	<u>1,896</u>	<u>1,654</u>
<b>Net cash generated from operating activities</b>	<u><u>1,896</u></u>	<u><u>1,654</u></u>

The notes on pages 25 to 57 form an integral part of these financial statements.



## Notes to the financial statements for the year ended 31 March 2024

### Legal Status

Croydon Churches Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 29 Sheldon Street, Croydon, England, CR0 1SS. Croydon Churches Housing Association Limited's principal activity is to provide social housing.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Croydon Churches Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered
CCHA Developments Limited	Companies Act 2006	Non-registered

### 1. Principal Accounting Policies

#### Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £'000.

The Group's financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE).

#### Parent association disclosure exemptions

In preparing the separate financial statements of the parent association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent association,
- Disclosures in respect of the parent association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the group as a whole.

#### Basis of consolidation

The consolidated financial statements incorporate the results of Croydon Churches Housing Association Limited and its subsidiary undertaking as at 31 March 2024.

#### Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2023-24 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Critical accounting judgements and key sources of estimation uncertainty

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

- a. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described on page 30. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property and student accommodation are investment properties.
- c. **Impairment.** The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. See note 13 for more information. Any impairment loss is charged to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property. The cash flows are derived from the business plan and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Following the assessment of impairment no impairment losses were identified in the reporting period.



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

**Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 12.

**Other key sources of estimation and assumptions:**

- a. **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b. **Lease accounting.** Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease.

**Turnover and revenue recognition**

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities, the Greater London Authority, and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

**Service charges**

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

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

**Loan interest costs**

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



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

#### Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiary operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Tangible fixed assets and depreciation

##### Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. For mixed tenure housing properties, costs are allocated in the following way:

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

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

UELs for identified components are as follows:

	Years
Leasehold properties - structure	Over the lease term
Freehold properties - structure	125
Kitchens	20
Bathrooms	30
Electrics	40
Windows and Doors	30
Roofs	70
Heating including Boilers	20
Lifts	25

The association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

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

	Years
Office equipment	5
Office furniture	10
Scheme assets	5
Photovoltaic roof panels	25
ICT equipment	3
ICT Software	6
Office premises improvements	Over the lease term



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Low cost home ownership properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets/property sales in operating profit.

#### Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

#### Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

#### Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

#### Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

#### Current asset investments

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



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### **Stock and properties held for sale**

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

#### **Short-term debtors and creditors**

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

#### **Non-government grants**

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

#### **Social Housing and other government grants**

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

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

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

#### **Non-monetary government grant**

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

#### **Recycling of Capital Grant**

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



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### **Holiday pay accrual**

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

#### **Agreements to improve existing properties**

Where the PRP has entered into agreements to purchase property from a third party and subsequently enters into a sub-contracting agreement to carry out improvement works to the properties, the related assets and liabilities are shown at gross values unless the right of net settlement exists.

#### **Retirement benefits**

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services. The difference between the deficit funding liability and the net defined benefit deficit for the Social Housing Pension Scheme was recognised in Other Comprehensive Income for the year ending 31 March 2024.

#### **Restricted Reserve**

The group holds a restricted reserve. This reserve can only be utilised in accordance with the wishes of the funder. Movements in reserves are shown in the Consolidated Statement of Changes in Reserves.

#### **Contingent Liabilities**

A contingent liability is recognised where settlement is not probable and/or cannot be reliably estimated.



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.
- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
  - Fair value with changes in fair value recognised in profit or loss if the shares are publicly traded or their value can otherwise be measured reliably, and
  - At cost less impairment for all other such investments.

#### Financial instruments held by the Group are classified as follows:

- Financial assets such as current asset investments and receivables are classified as loans and receivables are held at amortised cost using the effective interest method,
- Financial assets such as cash are held at historic cost,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method,
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment,
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value,
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

#### Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- (a) The best evidence of fair value is a quoted price in an active market.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- (c) Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

#### Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.



## Notes to the financial statements for the year ended 31 March 2024

### 1. Principal Accounting Policies (continued)

#### Impairment of Financial Assets

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

The following financial instruments are assessed individually for impairment:

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

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

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

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

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





## Notes to the financial statements for the year ended 31 March 2024

### 2(b). Particulars of turnover, cost of sales, operating expenditure and operating surplus/(deficit) (continued)

Association	2024			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
<b>Social housing lettings (notes 3a and 3b)</b>	<b>11,760</b>	-	<b>(8,975)</b>	<b>2,786</b>
<b>Other social housing activities</b>				
First tranche low cost home ownership sales	890	(957)	-	(67)
Charges for support services (note 3)	2,484	-	(2,477)	8
	<b>15,135</b>	<b>(957)</b>	<b>(11,451)</b>	<b>2,727</b>
<b>Activities other than social housing</b>				
Other	246	-	37	283
Outright sales				
<b>Total</b>	<b>15,381</b>	<b>(957)</b>	<b>(11,414)</b>	<b>3,010</b>
Loss on disposal of property, plant and equipment (fixed assets)				-
<b>Operating surplus/(deficit)</b>				<b>3,010</b>

Association	2023			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
<b>Social housing lettings (notes 3a and 3b)</b>	<b>10,663</b>	-	<b>(8,597)</b>	<b>2,066</b>
<b>Other social housing activities</b>				
First tranche low cost home ownership sales	1,752	(1,591)	-	161
Charges for support services (note 3)	2,583	-	(2,694)	(111)
	<b>14,998</b>	<b>(1,591)</b>	<b>(11,291)</b>	<b>2,116</b>
<b>Activities other than social housing</b>				
Other	(22)			(22)
<b>Total</b>	<b>14,976</b>	<b>(1,591)</b>	<b>(11,291)</b>	<b>2,094</b>
Gain on disposal of property, plant and equipment (fixed assets)				76
<b>Operating surplus/(deficit)</b>				<b>2,170</b>



## Notes to the financial statements for the year ended 31 March 2024

### 3(a). Particulars of turnover and operating expenditure from social housing lettings

Group & Association	General Housing	Supported Housing and Housing for Older People	Low Cost Home Ownership	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Rent receivable net of identifiable service charges and net of voids	9,209	973	505	10,687	9,785
Service charge income	1,342	1,166	98	2,606	2,456
Amortised government grants	549	119	57	725	730
Other income from Social Housing Lettings	-	227	-	227	275
<b>Total turnover from Social Housing Lettings</b>	<b>11,100</b>	<b>2,485</b>	<b>660</b>	<b>14,245</b>	<b>13,246</b>
<b>Operating expenditure</b>					
Management	3,512	643	72	4,227	4,271
Service charge costs	1,212	1,128	70	2,410	2,581
Routine maintenance	1,900	381	14	2,295	2,202
Planned maintenance	485	86	4	575	474
Bad debts	78	16	-	94	48
Depreciation of Housing Properties	1,627	223	-	1,850	1,715
Total operating expenditure on Social Housing Lettings	8,814	2,477	160	11,451	11,291
<b>Operating Surplus/(Deficit) on Social Housing Lettings</b>	<b><u>2,286</u></b>	<b><u>8</u></b>	<b><u>500</u></b>	<b><u>2,794</u></b>	<b><u>1,955</u></b>
<b>Void losses</b> (being rental income lost as a result of property not being let, although it is available for letting)	(26)	(31)	-	(57)	(34)

### 3(b). Turnover from activities other than social housing

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Other	241	(82)	246	(22)
<b>Other</b>	<b><u>241</u></b>	<b><u>(82)</u></b>	<b><u>246</u></b>	<b><u>(22)</u></b>



## Notes to the financial statements for the year ended 31 March 2024

### 4. Accommodation owned, managed and in development

Group	2024		2023	
	No. of properties Owned	Managed	No. of properties Owned	Managed
<b>Social Housing</b>				
<b>Under development at end of year:</b>				
General needs housing affordable rent	-	-	-	-
London Living Rent	-	-	-	-
Low-cost home ownership	-	-	-	-
<b>Under management at end of year:</b>				
General needs housing	922	-	922	-
Supported housing and housing for older people	446	18	446	23
Low-cost home ownership	76	-	76	-
Social Leasehold	85	-	85	-
Non social leasehold	41	-	41	-
	<u>1,570</u>	<u>18</u>	<u>1,570</u>	<u>23</u>

Association	2024		2023	
	No. of properties Owned	Managed	No. of properties Owned	Managed
<b>Social Housing</b>				
<b>Under development at end of year:</b>				
General needs housing affordable rent	-	-	-	-
London Living Rent	-	-	-	-
Low-cost home ownership	-	-	-	-
<b>Under management at end of year:</b>				
General needs housing	922	-	922	-
Supported housing and housing for older people	446	18	446	23
Low-cost home ownership	76	-	76	-
Leasehold	85	-	85	-
Non social leasehold	41	-	41	-
	<u>1,570</u>	<u>18</u>	<u>1,570</u>	<u>23</u>



## Notes to the financial statements for the year ended 31 March 2024

### 5. Accommodation managed by others

The Group owns property managed by other bodies.

<b>Group</b>	<b>2024</b> <b>No. of properties</b>	<b>2023</b> <b>No. of properties</b>
Supported housing and housing for older people	12	12
	=====	=====
<b>Association</b>	<b>2024</b> <b>No. of properties</b>	<b>2023</b> <b>No. of properties</b>
Supported housing and housing for older people	12	12
	=====	=====

### 6. Gain/(loss) on disposal of property, plant and equipment (fixed assets)

<b>Group &amp; Association</b>	<b>Low Cost Home Ownership Staircasing Sales</b> <b>£'000</b>	<b>Others</b> <b>£'000</b>	<b>Total 2024</b> <b>£'000</b>	<b>Total 2023</b> <b>£'000</b>
Proceeds of sales/disposal	-	-	-	1,101
Less: Costs of sales/depreciation	-	-	-	(1,025)
Surplus/(deficit)	-	-	-	76



## Notes to the financial statements for the year ended 31 March 2024

### 7. Net interest

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Interest receivable and similar income</b>				
<b>On financial assets measured at amortised cost:</b>				
Interest receivable	193	157	405	337
	<u>193</u>	<u>157</u>	<u>405</u>	<u>337</u>
<b>Interest payable and financing costs</b>				
<b>On financial liabilities measured at amortised cost:</b>				
On loans repayable within five years	-	-	-	-
On loans wholly or partly repayable in more than five years	2,349	1,593	2,349	1,593
Interest on Recycled Capital Grant Fund	14	4	14	4
	<u>2,363</u>	<u>1,597</u>	<u>2,363</u>	<u>1,597</u>
<b>On defined benefit pension scheme</b>				
Net Interest on scheme liabilities	68	41	68	41
	<u>2,431</u>	<u>1,638</u>	<u>2,431</u>	<u>1,638</u>

### 8. Surplus on ordinary activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>The operating surplus is stated after charging/(crediting):</b>				
<b>Auditors remuneration including expenses (excluding VAT):</b>				
Audit of the group financial statements	20	19	20	19
Audit of subsidiary	2	2	-	-
<b>Auditors remuneration including expenses (excluding VAT):</b>				
Taxation compliance services	1	3	1	2
Accounts preparation services	1	2	1	2
Service charge certification	2	2	2	2
<b>Operating lease rentals:</b>				
Other (vehicles and IT equipment)	-	-	-	-
Land and buildings	-	78	-	78
Office equipment	-	9	-	9
Depreciation of housing properties	1,624	1,507	1,624	1,507
Depreciation of other fixed assets	260	212	260	212
Surplus on sale of fixed assets	-	-	-	-



## Notes to the financial statements for the year ended 31 March 2024

### 9. Tax on surplus on ordinary activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current tax</b>				
UK corporation tax on surplus for the year				
Adjustments in respect of prior years	-	-	-	-
Changes in accounting policies/errors				
Total current tax charge	-	-	-	-

The tax assessed in the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2023: 19%). The differences are explained as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Total tax reconciliation</b>				
Surplus on ordinary activities before tax	762	1,048	983	869
Theoretical tax at UK corporation tax rate 19% (2023: 19%)				
- Tax on other comprehensive income items	145	199	187	165
- Non-taxable gains on asset sales	(3)	(129)	-	(31)
- Other non-deductible expenditure	(142)	(70)	(187)	(134)
- Non-taxable charitable activities	-	-	-	-
Total tax charge	-	-	-	-



## Notes to the financial statements for the year ended 31 March 2024

### 10. Key management personnel remuneration

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £415k (2023: £394k).

Remuneration for executive directors for the year ended 31 March 2024:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Wages and salaries (including performance related pay for period)	382	365
Pension contributions	34	29
<b>Total</b>	<b>416</b>	<b>394</b>

Non-executive Board Member remuneration for the year ended 31 March 2024:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Abigail Lock	-	3
Heather Thomas	6	6
Carolyn Porretta	1	3
Neil Perrins	3	3
Mark Collins	3	2
Nathan Gravesande	2	2
Marcella Jenoure	-	1
Julian Chun	2	2
Phiroze Dastur Mackenzie	1	1
Felicity Gentle	2	1
Nancy Callender	-	1
Jim Dean	2	-
Matthew Hayday	2	-
Pamela Vera	1	-
Christopher Newman	1	-
Maureen Adams	-	-
Bruce Shelmerdine	-	-
David Hall	-	-
<b>Total</b>	<b>26</b>	<b>25</b>

Tracy Cullen is remunerated as Chief Executive and receives no additional salary as a member of the Board.

Remuneration payable to the highest paid director who is the Chief Executive in relation to the period of account amounted to £119k (2023: £108k) excluding pension contributions.

Tracy Cullen was a member of the defined benefit pension scheme which is now closed to future accrual. The scheme is a final salary scheme which was funded by annual contributions by the employer and employee. Tracy Cullen is now a member of the defined contribution scheme.



## Notes to the financial statements for the year ended 31 March 2024

### 11. Employee information

	Group		Association	
	2024 No.	2023 No.	2024 No.	2023 No.
<b>The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:</b>				
Office staff	<b>48</b>	44	<b>48</b>	44
	<b>48</b>	44	<b>48</b>	44
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Staff costs (for the other persons)</b>				
Wages and salaries	<b>2,158</b>	1,936	<b>2,158</b>	1,936
Social security costs	<b>232</b>	215	<b>232</b>	215
Other pension costs	<b>150</b>	145	<b>150</b>	145
	<b>2,540</b>	2,296	<b>2,540</b>	2,296

Aggregate number of full time equivalent staff whose remuneration (including compensation for loss of office) exceeded £60,000 in the period:

	2024 Number	2023 Number
£60,000 - £70,000	-	1
£70,001 - £80,000	<b>1</b>	2
£80,001 - £90,000	<b>2</b>	-
£90,001 - £100,000	-	1
£100,001 - £110,000	<b>1</b>	1
£110,001 - £120,000	<b>1</b>	-

There were no loans made to employees in the year (2023: £0). All loans are interest free and for a maximum term of one year.

### 12. Pension obligations

#### Social Housing Pension Scheme

The Group participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The accounting policy in relation to SHPS is set out on page 28. This scheme is now closed to future accruals as of April 2021.



## Notes to the financial statements for the year ended 31 March 2024

### 12. Pension obligations (continued)

#### Principal Actuarial Assumptions

	At 31 March 2024	At 31 March 2023
Discount rate of scheme liabilities	4.90%	4.87%
Rate of increase in salaries	3.78%	3.75%
Inflation assumption (RPI)	3.15%	3.19%
Inflation assumption (CPI)	2.78%	2.75%
Commutation of pensions to lump sums	75% of maximum allowance	75% of maximum allowance

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2024	At 31 March 2023
	Years	Years
<b>Retiring today</b>		
Males	20.5	21.0
Females	23	23.4
<b>Retiring in 20 years</b>		
Males	21.8	22.2
Females	24	24.9



## Notes to the financial statements for the year ended 31 March 2024

### 12. Pension obligations (continued)

#### Analysis of the amount charged to operating expenditure in the Statement of Comprehensive Income

	At 31 March 2024 £'000	At 31 March 2023 £'000
Employer service cost (net of employee contributions)	-	-
Expenses	(10)	(10)
Past service cost	-	-
<b>Total operating charge</b>	<b>(10)</b>	<b>(10)</b>

#### Analysis of pension finance income / (costs)

Expected return on pension scheme assets	349	313
Interest on pension liabilities	(417)	(354)
<b>Amounts charged/credited to financing costs</b>	<b>(68)</b>	<b>(41)</b>

#### Amount of gains and losses recognised in the Statement of Comprehensive Income

Actuarial gains/(losses) on pension scheme assets	(874)	(4,307)
Actuarial gains/(losses) on scheme liabilities	580	4,042
<b>Actuarial gain/(loss) recognised</b>	<b>(294)</b>	<b>(265)</b>

	At 31 March 2024 £'000	At 31 March 2023 £'000
<b>Movement in surplus/(deficit) during year</b>		
(Deficit)/surplus in scheme at 1 April	(1,592)	(1,680)
Movement in year:		
Employer service cost (net of employee contributions)	(10)	(10)
Employer contributions	399	404
Past service cost	-	-
Net interest/return on assets	(68)	(41)
Remeasurements	(294)	(265)
<b>(Deficit)/Surplus in scheme at 31 March</b>	<b>(1,565)</b>	<b>(1,592)</b>



## Notes to the financial statements for the year ended 31 March 2024

### 12. Pension obligations (continued)

Asset and Liability Reconciliation	At 31 March 2024 £'000	At 31 March 2023 £'000
<b>Reconciliation of liabilities</b>		
<b>Liabilities at start of period</b>	8,658	13,077
Service cost	10	10
Interest cost	417	354
Employee contributions	-	-
Remeasurements	(580)	(4,042)
Benefits paid	(244)	(741)
Past Service cost	-	-
Curtailments and settlements	-	-
	<b>8,261</b>	<b>8,658</b>
<b>Reconciliation of assets</b>		
<b>Assets at start of period</b>	7,066	11,397
Return on plan assets	349	313
Remeasurements	(874)	(4,307)
Employer contributions	398	404
Employee contributions	-	-
Benefits paid	(244)	(741)
	<b>6,695</b>	<b>7,066</b>

The assets at the end of the period are as follows:

	2024 £'000	2023 £'000
Global equity	667	132
Absolute Return	261	76
Distressed Opportunities	236	214
Credit Relative Value	219	267
Alternative Risk Premia	213	13
Fund of Hedge Funds	87	-
Emerging Market Debt	392	38
Risk Sharing	35	520
Insurance-Linked Securities	269	178
Property	676	304
Infrastructure	5	807
Private Debt	264	315
Opportunistic Illiquid Credit	262	302
High Yield	1	25
Opportunistic Credit	-	-
Corporate Bond Fund	132	-
Liquid Credit	-	-
Long Lease Property	-	213
Secured Income	43	324
Cash	200	51
Currency Hedging	2,725	14
Liability Driven Investment	(3)	3,255
Net Current Assets	11	18
<b>Total Assets</b>	<b>6,695</b>	<b>7,066</b>



## Notes to the financial statements for the year ended 31 March 2024

### 13. Tangible fixed assets

Group & Association	Social Housing Properties for Letting completed £'000	Social Housing Properties for letting under construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000	----- Other fixed assets -----			
						Freehold offices £'000	Long Leasehold Property £'000	Furniture and office equipment £'000	Total fixed assets £'000
<b>Cost</b>									
At start of the year	145,647	-	16,870	862	163,379	206	324	1,914	2,444
Transfers	(1,422)	253	(321)	735	(755)	1,806	-	-	1,806
Additions	-	1,159	-	50	1,209	4	-	93	97
Works to existing properties	1,568	-	-	-	1,568	-	-	-	-
Schemes completed	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Replaced components	(158)	-	-	-	(158)	-	-	-	-
<b>At end of the year</b>	<b>145,635</b>	<b>1,412</b>	<b>16,549</b>	<b>1,647</b>	<b>165,243</b>	<b>2,016</b>	<b>324</b>	<b>2,007</b>	<b>4,347</b>
<b>Depreciation and impairment</b>									
At start of the year	24,670	-	-	-	24,670	182	323	957	1,462
Charge for the year	1,627	-	-	-	1,627	16	-	244	260
Released on disposals	(139)	-	-	-	(139)	-	-	-	-
<b>At end of the year</b>	<b>26,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,158</b>	<b>198</b>	<b>323</b>	<b>1,201</b>	<b>1,722</b>
<b>Net book value at 31 March 2024</b>	<b>119,477</b>	<b>1,412</b>	<b>16,549</b>	<b>1,647</b>	<b>139,085</b>	<b>1,818</b>	<b>1</b>	<b>806</b>	<b>2,625</b>
Net book value at 31 March 2023	120,977	-	16,870	862	138,709	24	1	957	982



## Notes to the financial statements for the year ended 31 March 2024

### 13. Tangible fixed assets

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>Housing Properties comprise:</b>		
Freeholds	<b>129,981</b>	129,605
Long leaseholds	<b>8,895</b>	8,895
Short leaseholds	<b>209</b>	209
	<b>139,085</b>	138,709
	<b>2024</b>	2023
	<b>£'000</b>	£'000
Works to existing properties in the year:		
Components capitalised	<b>1,568</b>	1,115
Amounts charged to expenditure	<b>292</b>	474

The aggregate amount of interest and finance costs included in the cost of housing properties was £54k (2023: £271k) (the capitalisation rate used was 4.89% (2023: 4.21%)).

The net book value of other fixed assets includes £nil (2023: £nil) in respect of assets held under finance leases.

Cost of properties includes £168,931 (2023: £197,311) for direct administrative costs capitalised during the year.

Freehold land and buildings with a carrying amount of £71m (2023: £71m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.



## Notes to the financial statements for the year ended 31 March 2024

### 13. Tangible fixed assets

#### Impairment of Housing Properties

Housing properties are assessed at each reporting date to determine whether an indicator of impairment exists, where there is evidence of impairment an assessment is carried out to estimate the recoverable amount of the asset.

The recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amount is compared to the book value of the asset (or cash generating unit) and any write down is charged to profit or loss.

Value in use is defined as value in use – service potential (VIU-SP), this is the present value of the asset's remaining service potential plus the net amount the entity will receive from its disposal.

#### Group & Association

As at 31 March 2024 no impairment loss was recorded in profit or loss (2023: none)

### 14. Stock

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>First tranche Shared ownership properties:</b>				
Completed	149	1,013	149	1,047
Work in progress	488	349	488	349
<b>Outright sale properties:</b>				
Completed	-	391	-	-
	<b>637</b>	<b>1,753</b>	<b>637</b>	<b>1,396</b>



## Notes to the financial statements for the year ended 31 March 2024

### 15. Trade and other debtors due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Rent Arrears	830	631	830	631
Less: provision for bad debts rent	(375)	(281)	(375)	(281)
Amounts owed by group undertakings	-	-	2,998	3,548
Other debtors	760	2,175	762	772
Less: provision for bad debts other	(199)	(199)	(199)	(199)
Prepayment and accrued Income	681	349	681	348
Trade debtors	306	-	357	-
	<u>2,003</u>	<u>2,675</u>	<u>5,054</u>	<u>4,819</u>

### 16. Cash and cash equivalents

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash at bank	<u>3,931</u>	<u>10,133</u>	<u>3,021</u>	<u>8,666</u>

### 17. Creditors: amounts falling due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans and overdrafts (Note 26)	1,039	6034	1,039	6,034
Trade creditors	1,099	719	1,099	719
Rents and service charges paid in advance	862	716	862	716
Accruals and deferred income	1,785	1,764	1,331	1,586
Deferred Capital Grant (Note 19)	725	730	725	730
Recycled Capital Grant Fund (Note 20)	-	-	-	-
Other creditors	851	2,296	3,227	2,796
	<u>6,361</u>	<u>12,259</u>	<u>8,283</u>	<u>12,581</u>



## Notes to the financial statements for the year ended 31 March 2024

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank and other loans (Note 26)	<b>58,646</b>	59,976	<b>58,646</b>	59,976
Deferred Capital Grant (Note 19)	<b>55,581</b>	54,563	<b>55,581</b>	54,563
Recycled capital grant fund (Note 20)	<b>422</b>	459	<b>422</b>	459
Leaseholder sinking funds	<b>28</b>	194	<b>28</b>	194
	<b>114,677</b>	115,192	<b>114,677</b>	115,192

Loans are secured by housing properties, see note 26.

### 19. Deferred capital grant

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At the start of the year	<b>55,293</b>	56,023	<b>55,293</b>	56,023
– Grants received during the year:	-	-	-	-
Housing properties	<b>1,738</b>	-	<b>1,738</b>	-
Recycled Capital Grant Fund	-	-	-	-
Grants recycled during the year:	-	-	-	-
Housing properties	-	-	-	-
Recycled Capital Grant Fund	-	-	-	-
Amortised Grant	<b>(725)</b>	(730)	<b>(725)</b>	(730)
At the end of the year	<b>56,306</b>	55,293	<b>56,306</b>	55,293
Due within one year	<b>725</b>	730	<b>725</b>	730
Due in more than one year	<b>55,581</b>	54,563	<b>55,581</b>	54,563
	<b>56,306</b>	55,293	<b>56,306</b>	55,293

The gross amount of grant received prior to amortisation as at 31 March 2024 was £74,436k (2023: £72,697k).



## Notes to the financial statements for the year ended 31 March 2024

### 20. Recycled capital grant fund

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At the start of the year	459	570	459	570
<b>Inputs to fund:</b>				
Grants recycled from deferred capital grants fund	-	-	-	-
Interest accrued	14	4	14	4
Transfers from other Private Registered Providers	3	-	3	-
<b>Recycling of grant:</b>				
New build properties	-	-	-	-
<b>Outputs to fund:</b>				
Repayment of grant	(54)	(115)	(54)	(115)
At the end of the year (Note 17 and Note 18)	422	459	422	459
Amounts of 3 years and older where repayment may be required.	2	-	-	-

Withdrawals from the recycled capital grants fund were used for new build affordable homes. Amounts in the RCGF are due to the GLA where repayment may be required.

### 21. Non-equity share capital

	2024 £	2023 £
<b>Group and Association</b>		
Allotted Issued and Fully Paid		
At the start of the year	7	11
Issued during the year	7	-
Cancelled during the year	(4)	(4)
At the end of the year	10	7

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



## Notes to the financial statements for the year ended 31 March 2024

### 22. Capital commitments

#### Tangible fixed assets/intangible fixed assets

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	<b>8,322</b>	3,442	<b>8,322</b>	3,442
	<b><u>8,322</u></b>	<u>3,442</u>	<b><u>8,322</u></b>	<u>3,442</u>
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	1,480	845	1,480	845
Proceeds from the sales of properties	-	1,105	-	1,105
Cash at Bank	1,211	1,492	1,211	1,492
Loan Drawings	5,631	-	5,631	-
	<b><u>8,322</u></b>	<u>3,442</u>	<b><u>8,322</u></b>	<u>3,442</u>

The above figures include the full cost of shared ownership properties contracted for.

There are no performance conditions attached to the above commitments.

### 23. Operating leases

The association holds properties and office equipment under non-cancellable operating leases. At the end of the year the association and group had commitments of future minimum lease payments as follows:-

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Land and buildings:</b>				
In one year or less	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
<b>Others:</b>				
In one year or less	<b>9</b>	-	<b>9</b>	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
	<b><u>9</u></b>	<u>-</u>	<b><u>9</u></b>	<u>-</u>



## Notes to the financial statements for the year ended 31 March 2024

### 24. Grant and financial assistance

Group & Association	Social Housing Grant £'000	Other grants £'000	Total 2024 £'000	Total 2023 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2024:	74,436	-	<b>74,436</b>	72,697
Held as deferred capital grant	56,306	-	<b>56,306</b>	55,293
Recognised as income in statement of Comprehensive Income	18,130	-	<b>18,130</b>	17,404
	<u>74,436</u>	<u>-</u>	<u><b>74,436</b></u>	<u>72,697</u>

### 25. Related parties

There are no related party transactions for this year or the prior year.

#### Transactions with registered and non-registered elements of the business

In accordance with the Accounting Direction 2022, transactions between private registered providers and other non-registered entities in the Group are disclosed as follows:

2024	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other creditors £'000	Other debtors £'000
Subsidiary									
ccha Developments Limited	-	(63)	-	(212)	-	-	2,998	-	-
2023	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other creditors £'000	Other debtors £'000
Subsidiary									
ccha Developments Limited	-	(60)	-	(180)	-	-	3,548	714	4,262

ccha provides a loan to ccha Developments Limited on commercial terms. ccha also provides operational resources sufficient for the running of ccha Developments Limited, under a Service Level Agreement.



## Notes to the financial statements for the year ended 31 March 2024

### 26. Financial instruments and risk management

#### Liquidity

Total loan and credit facilities

The Group had total borrowing facilities of £74.2m available at 31 March 2024 (2023: £74.2m), of which £19m (2023: £13m) were undrawn.

Undrawn borrowings at 31 March 2024 relate to a revolving credit facility of £9.0m and variable loan of £10m (2023: £10.0m) with Santander Bank. Cash and cash equivalents totalled £3.9m (2023: £10.1m) at 31 March 2024.

Maturity profile of outstanding borrowing at 31 March 2024:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Loans repayable by instalments</b>				
Repayable within one year	1,039	34	1,039	34
In one year or more but less than two	42	7,038	42	7,038
In two years or more but less than five	156	141	156	141
In five years or more	1,370	1,427	1,370	1,427
<b>Loans not repayable by instalments</b>				
Repayable within one year	-	-	-	-
In one year or more but less than two	17,500	-	17,500	-
In two years or more but less than five	2,072	9,572	2,072	9,572
In five years or more	38,465	48,752	38,465	48,752
Less: loan issue cost	(959)	(954)	(959)	(954)
<b>Total drawn borrowings</b>	<b>59,685</b>	<b>66,010</b>	<b>59,685</b>	<b>66,010</b>

The £17.5m is repayable in August 2026 to Natwest. We are currently going through a re-financing exercise to mitigate this maturity risk which is part of our current Treasury Strategy.

The Group's weighted average cost of capital at 31 March 2024 is 4.27% (2023: 4.21%).

All of the group's borrowing facilities are secured by fixed charges on individual properties.

#### Managing market risk

##### Interest rate risk

The Group manages volatility of cash flows and interest payments in relation to interest rate risk via limiting its exposure to variable interest rate risk and hedging. Interest rate risk policy managed by Treasury and approved by the board states that variable rate borrowings shall not exceed more than 30% of total outstanding borrowings.

##### Group fixed and variable rate outstanding borrowing at 31 March 2024:

	2024	2024	2024	2023	2023	2023
	£m	Weighted average rate %	Weighted average term Years	£m	Weighted average rate%	Weighted average term Years
Fixed rate	48.6	3.46	22	34.6	3.18	22
Variable rate borrowings	11	5.07	10	26.6	3.95	10
<b>Total drawn borrowings</b>	<b>59.6</b>	<b>4.265</b>	<b>17</b>	<b>61.2</b>	<b>4.21</b>	<b>17</b>



## Notes to the financial statements for the year ended 31 March 2024

### 26. Financial instruments and risk management (continued)

#### Financial assets and financial liabilities at book value and fair value

The book value of all financial assets and financial liabilities at 31 March 2024 is deemed to equal fair value.

The Group's and Association's financial instruments may be analysed as follows:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Financial assets measured at cost:				
Cash and cash equivalents	3,931	10,133	2,471	8,666
Financial assets measured at amortised cost:				
Trade receivables		631		631
Other receivables	760	2,175	760	772
<b>Total financial assets</b>	<b>4,691</b>	<b>12,939</b>	<b>3,231</b>	<b>10,069</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost:				
Loans payable	58,646	66,010	58,646	66,010
Trade creditors	1,099	719	1,099	719
Other creditors		3,012		3,512
Accruals	1,120	1,764	1,120	1,586
<b>Total financial liabilities</b>	<b>60,865</b>	<b>71,505</b>	<b>60,865</b>	<b>71,827</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 27. Analysis of Changes in Net Debt

Group	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	10,133	(6,202)	-	3,931
Housing Loans Due in One Year	(6,034)	6,034	(1,039)	(1,039)
Housing Loans Due After One Year	(59,976)	-	1,330	(58,646)
	<hr/>	<hr/>	<hr/>	<hr/>
	(55,877)	(168)	291	(55,754)
	<hr/>	<hr/>	<hr/>	<hr/>



## Notes to the financial statements for the year ended 31 March 2024

### 27. Analysis of Changes in Net Debt

Association	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	8,666	(5,645)	-	3,021
Housing Loans Due in One Year	(6,034)	6,034	(1,039)	(1,039)
Housing Loans Due After One Year	(59,976)	-	1,330	(58,646)
	<u>(57,344)</u>	<u>389</u>	<u>291</u>	<u>(56,664)</u>

### 28. Contingent Liability – Social Housing Pension Scheme

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 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

### 29. Events after the end of the reporting period

The land at our Wheatsheaf site had previously been considered for impairment (2022-23). The land was banked last year with no plans for development on the land in 23-24. There are now buyers interested in this site which confirms no impairment on this land, however if we do sell this land there are sunk costs which will have to be written off and will result in a loss of around £645k in year. Strategically board has decided that this is currently the best option for this land.