Financial Statements

for the Year Ended 31 March 2023

Registered under Co-operative and Community
Benefit Societies Act 2014 No: 32239R
Registered with the Regulator of Social Housing No: 4789

platform housing group

In 2022-23 we built 962 new homes

Board Members

Board of Management	Appointed	
John Weguelin	1 January 2020	Chair
Sebastian Bull*	27 May 2020	Chair Group Audit and Risk Committee
Tony King	1 August 2020	Chair Finance Committee
Helen Southwell	1 October 2018	Chair People and Governance
John Anderson	10 August 2020	Chair Asset and Development
Elizabeth Froude	17 September 2019	Board Member
David Clark**	1 October 2018	Board Member
Paula Smith	27 May 2020	Board Member
Heena Prajapat	21 July 2020	Board Member
Abi Rushton***	1 April 2023	Board Member Co-opted
Jane Wynne	1 April 2023	Board Member
Luciano Zonato	1 September 2020	Board Member

* Sebastian Bull has resigned from the Board effective from the 30 September 2023
** David Clark has resigned from the Board effective from the 26 July 2023
*** Abi Rushton has become an advisor to the Board effective from 24 July 2023 and is no longer a Co-opted member

Auditors and Bankers

Registered Office	External Auditor	Principal Banker
1700 Solihull Parkway Birmingham Business Park Solihull B37 7YD	KPMG LLP 66 Queen Square Bristol BS1 4BE	Barclays Bank PLC PO Box 3333 1 Snow Hill Snow Hill Queensway Birmingham B3 2WN

Registered under the Co-operative and Community Benefit Societies Act 2014
Charitable Registered Society Registration Number: 32239R
Regulator of Social Housing Registration Number: 4789

Executive Directors

Executive Directors		
Elizabeth Froude	8 July 2019	Group Chief Executive
Rosemary Farrar	17 March 2020	Chief Financial Officer
Jon Cocker	1 October 2018	Chief Information Officer
Marion Duffy	1 October 2018	Chief Operating Officer
Clare Durnin	1 October 2018	Executive Director (Corporate Resources)
Dennis Evans	1 October 2018	Executive Director (Property Management)
Gerraint Oakley	15 June 2020	Executive Director (Growth and Development)

Company Secretary

Andrew Bush 11 December 2018

Contents

Our values set ideal standards which we apply directly to the way we run our business

Chair's Report

The past year has been incredibly challenging for customers living in our homes and communities, for our colleagues and for Platform as a whole.

The steep rise in the cost of living following a 'perfect storm' caused by the fallout from the past few years of Covid lockdowns, the effect of Brexit on supply chains and labour workforce, and the impact of war in Ukraine, resulted in driving up the cost of fuel, inflation and interest rates to levels not seen for generations and although we were able to hold the rent increase at 7% for the next year, the rise in fuel costs has also impacted our service charges.

Our Wellbeing Fund, which was established to help customers experiencing financial hardship and needing short-term support was able to help 6,488 customers and community organisations. Alongside £10,000 grant funding from the EEM Trust, we were also able to support our communities by investing a further £20,000 into warm hubs across our localities. Throughout the year we have ensured that the interests of our customers are our top priority whilst balancing other calls on our resources.

As a business we have been hit hard by rising costs and wages and by the cost of catching up on our repairs backlog from prior years which demanded considerable investment and reliance on external contractors. Looking forward, we start the new year 2023/24 with our backlog completed and we have seen a positive move in the market for recruitment and are now attracting a higher volume of candidates to our roles.

We have maintained our long-term objectives throughout the year and continued to invest in the transformation programme of our processes and systems to ensure improved value for money and customer experience into the future. This year we invested in new technology to make it easier for customers to contact us in ways that work for them. Innovative technology that enables us to interact with customers via live video was successfully launched in November 2022 and has already proven beneficial to help deal with repair reports, in some instances, resolving a simple repair task or concern at first point of contact.

Damp and mould condensation is the most recent issue to impact our sector. Unless tackled urgently it can have the most detrimental impact on health and lives. The strength of our asset database and use of technology has been powerful in helping us to verify and prioritise homes and people most at risk.

Without adequate heating, homes can develop damp and condensation mould which can have an impact on health and wellbeing. In August 2022, to help us deliver on our promise to ensure that all our customers live in a warm and safe home, we launched a new capped Gas App. Developed internally, it alerts local Neighbourhood Officers who are then able to liaise directly with customers and address any issues to ensure the customer has hot water and a working heating system.

Sustainability in our services to our customers remains our primary priority. As well as investing in our homes, we are working closely with our suppliers and partners to reduce our carbon footprint. We recently acquired 40 electric vehicles for our Property Care team to support the reduction of our CO_2 levels. We've also implemented a new vehicle management system that allows us to maximise the efficiency of our current fleet of vehicles through improved fuel economy and reduced CO_2 emissions.

People are what makes our business so special. We continue to invest in staff and training, and in our apprentice programme which now makes up over 4.3% of our workforce. Recognising the important contribution that apprentices make to the workforce, our apprentices will be paid in line with the real Living Wage rate from April 2023.

Despite the challenges that have affected the sector and its ability to deliver new homes, we delivered 962 new homes and purchased 150 homes from a for profit registered provider in the year. With 2 buybacks this increased our homes by 1,114. Of these 486 were for affordable rent, 223 were for social rent and 405 for shared ownership.

Despite the challenging economic environment Total Group Surplus for the year rose to £48.6m, an increase of 13% from 2021/22, however our operating margin fell 2.5% to 30.9% largely as a result of the ongoing exceptional maintenance costs in the year and resolving the repairs backlog.

Recognising that 2023/24 will be challenging for our customers and ourselves we continue to make the interests of our customers our priority while investing in improving the quality and efficiency of our existing homes and supporting our communities.

> Sustainability in our services to our customers remains our primary priority. As well as investing in our homes, we're working closely with suppliers and partners to reduce our carbon footprint.

At the same time, we are continuing with our ambitious plans to develop new homes and also protect our financial sustainability. We have made a strategic decision to invest both in the improvement of our services and our homes while continuing to invest in building sustainable homes for the future and transforming services which will protect our long-term financial strength.

We are proud to work as a strategic partner of Homes England with funding of more than £250m to deliver high quality housing through acquiring good quality sites and investing in a low carbon product. At the same time, we will be retrofitting our existing homes to meet our low carbon agenda and to reduce the running costs for our customers.

I am very appreciative of the support, commitment and guidance the Board has provided during this period and I am pleased to welcome the new members joining the Board who bring the skills necessary for Platform to deliver its agenda in the future. The Board are incredibly proud of everyone who works at Platform and the role they play in serving our customers. They, more than others, deal with the day-to-day challenges that our customers and communities are facing and are to be commended for their dedication and continued passion for supporting our customers. Lastly, I would like to thank Elizabeth Froude and her team for their enthusiastic and sound leadership of Platform and the execution of our strategy.

John Weguelin
Chair

Report of the Chief Executive

This has been a year which has continued to be testing for both the housing sector and Platform Housing Group. However, notwithstanding the impact of the wider macroeconomic environment, we have endeavoured to focus on our corporate strategy and on investment in our homes, our processes and our technology to improve services for our customers. Our results for the year reflect our focus on improving the standard of our homes and the lives of our residents, which we see as our primary strategic focus.

As we closed the year we carried out a review of our Corporate Strategy with our Board to reaffirm that our strategy still delivered our priorities and outcomes for our customers in this environment.

The reduction in Operating Surplus (£6.4m) reflects this focus, with £23.4m being the increased spend on maintenance and investment in our existing homes. We focused on accelerating our catchup of backlogged repairs and invested £5.5m on sustainability works such as air sourced heating systems and photovoltaic panels. Our commitment to improving the energy standards of our existing homes remains a key strategic focus and we were successful in being awarded monies under the SHDF2 grant round to support almost 1,000 more homes.

We have also continued to build much needed new homes and retained our focus on building affordable tenures. In the year we added 1,114 homes to our stock, all EPC B or above. Our shared ownership sales programme was smaller than last year, due to the timing of scheme handovers and our focus on quality standards. At the end of the year we had only 29 homes available for sale and are seeing continued demand for our homes, with values, first tranche proportions and staircasing holding above budget levels. To help drive the quality, sustainability and delivery of our new homes we have moved more of our programme to be land-led and continue to evolve our Homes for the Future standard, which will help us align new and existing homes over time.

The demand for our customer Wellbeing Fund continues to assist the most needy of our client base, assisting with some of the basic items such as food, energy costs and furniture or white goods and as the year progressed our Board took the decision to increase the fund to £2m to reflect demand. The Wellbeing Fund is now an ongoing part of our customer support mechanism and the need for it continues in to 2023/24.

Damp & mould was the most recent issue to impact our sector and the strength of our Asset data and our use of technology as an organisation has been powerful in helping us to verify and prioritise the homes needing more focus. Although the levels of damp and mould we are finding are reducing and we currently have no Category 1 cases, we, like all landlords, are dealing with the tail of a flurry of activity from the spring of 2023. As a business we are handling Damp, Mould & Condensation as a new compliance category and treating it as such, as we anticipate it being an issue for us and for the wider sector for some time as it is exacerbated by fuel poverty and overcrowding in our homes.

Our focus on improving customer service throughout the year, despite the difficult environment has seen a strong improvement in customer satisfaction with our transactional services. Overall customer satisfaction rose from 69.8% in March 2022 to 70.7% in March 2023 and satisfaction with the services delivered by our in-house maintenance service rose from 84.9% to 90.3%.

We also continue to invest in technology to help improve our understanding of our customers and to improve their choices on service delivery channels and the use of smart homes technology. This along with the improvement of data across all areas of the business allows us to be more strategic in how we shape and deliver our services. Along with our growing use of Artificial Intelligence and data science we can identify need amongst our customer base, as well as benefit from an enhanced line of sight on compliance and customer safety.

I hope you find that our report reflects a continuing strong and stable business with an absolute focus on its social purpose, but also with an eye to the future standards of its homes and services.

Elizabeth Froude
Group Chief Executive

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Year at a glance

platform housing group

April 2022
Wellbeing Fund
Launch of £1.75 million Wellbeing Fund, increased to £2 million later in the year. Helping customers experiencing financial hardship and needing short-term support. The fund helped more than 6,488 customers, providing grants totalling almost £2 million.

May 2022
Communities Connected
From litter picking and tree planting to building bird boxes, the first of two Communities Connected fortnights saw customers, colleagues and partners volunteering to get involved to make a difference in their local community.

June 2022
Development award
Our development of 30 affordable homes in Bakewell was awarded Best Small Development at the Midlands Regional Property Awards.

These new homes made it possible for local people on low incomes, who might otherwise have found it hard to afford to stay in the area, remain in their hometown.

July 2022
New homes in Watery Lane, Newent
Work started at our first ever site in the Forest of Dean – Watery Lane, Newent – 40 new homes being built to give local people in the area more affordable ways of renting or owning a home.

August 2022
Cost of Living support
To help customers navigate the cost of living and rising energy costs crisis we created a new help section on our website, sharing how we can help, along with what government and specialist support is available.

September 2022
Recruiting and developing apprentices
Property Care workforce was increased by recruiting 10 young people from our communities to train to become carpenters, plumbers, electricians, and multi-skilled operatives.

October 2022
Top G1 and V1 rating
Following a reassessment, we retained our top G1/V1 rating from the Regulator for Social Housing, reaffirming for the second year running, that we've performed at the highest level for both governance and viability.

Launch of video calling technology
Investment in customer contact technology, video calling introduced. 1,712 uses in its first 5 months.

November 2022
Refurbishment of Alexandra Court
Work began on our DIY SOS style communal areas refurbishment at our retirement living scheme Alexandra Court, Skegness. The refurbishment, costing £22,000 saw colleagues rolling up their sleeves to work with partners to make a difference.

December 2022
Christmas Kindness
Our Christmas Kindness campaign spread a little festive cheer and extra help to those who may have otherwise missed out. We donated over £35,000 from our Community Chest Fund to local food banks, community groups and charities.

Launch of Chatbot and Live Chat Technology
New technology to enable customers to interact with the Customer Hub via online technology.

January 2023
Tenant Satisfaction Measures pilot
To help us establish a clear baseline of the Social Housing Regulator's Tenant Satisfaction Measures (TSM's for short) introduced to drive up standards for customers, we carried out a pilot customer survey to help us create an action plan.

February 2023
Warm Hub Funding
A warm welcome was offered to customers, thanks to £20,000 from our Wellbeing and Community Chest Funds, alongside £10,000 EEM grant funding, to help fund existing and new local community warm hubs.

TAPPI project launch
Harling Court Retirement Village in Ledbury was selected as a test site for a national innovation project, aimed at improving the way technology is used in housing and care for older people.

March 2023
Community Heroes Awards
We judged the winners of our Community Heroes Awards that recognise the unsung heroes who make a real difference in their local community. (recognising customer contributions)

Damp and condensation mould
New process for tackling reports of damp and condensation mould was launched. The key message being that everyone has a responsibility to report damp and condensation mould – if you see it, report it!

Delivering to our Strategy

The environment within which we operate continues to change and bring challenges to us and our residents. We are at the mid point of our Strategic Plan and Corporate Strategy for 2021-2026 and are currently reviewing our achievements against this plan and also our objectives to 2026. Our ambition, to be a truly modern housing association, remains our key focus. Our main objective for the remaining strategy period is to continue to build on our strengths to become an organisation that will be fit for the future needs of our customers and communities and one that continues to support those already part of our existing wider community.

During the year we delivered a number of initiatives to take forward our Corporate Strategy:

- Started our co-creation journey
- Delivered our tenure neutral operating model, restructured our Localities model and developed localities profiles to better understand our communities
- Created a specialist Community Safety team
- Used AI to develop a process to identify our Silent Customers; those with whom we had no contact for 12 months and over. We used tenancy healthchecks to ensure those customers are safe and well
- Launched Swaptracker as a tool to manage Mutual Exchanges
- Strengthened our safeguarding process and introduced a new case management system
- Recruited 2 Community Builder Officers who will help deliver asset based community development
- Introduced video calls into the Platform Hub to assist with diagnostic and evidence gathering for repairs calls. Following the success of the pilot this has been extended to damp, mould and condensation triage investigations
- Commenced a 12 month chatbot/live chat pilot to enable customers to access more digital services, while being able to self serve
- Developed an in-house Robotic Processing Automation (RPA) tool for income administration tasks relating to Universal Credit claimants
- Expanded our Successful Tenancies team and Wellbeing teams and launched a Cost of Living group to better assist with cost of living challenges
- Supported Local Authorities and customers with the Afghan and Ukrainian resettlement programmes
- Developed a new offer across our Retirement Housing portfolio based on consultation with customers and introduced new Retirement Housing roles
- Continued to deliver our Internet of Things (IoT) strategy with 119 properties being equipped with IoT devices to detect damp and mould risk and help with fuel poverty to determine heat loss
- Worked with Cardiff University to consult 11,000 general housing customers (over 50's) to seek their views on moving into dedicated retirement housing settings, the findings of which will contribute to our new strategy
- Supported a successful Dementia Action week 2022, provided funding towards research projects and attended a House of Lords event to celebrate projects and findings into living with Dementia in extra care services
- Received £70k grant funding from TAPPI (Technology for an Aging Population – Panel of innovation) to become one of 6 testbed sites to aide a pilot into new technology within our retirement housing

- Commissioned TSA (Tech Services Authority) to carry out an audit across all Specialist Housing sites to identify upgrades required ahead of the Digital Switchover due by December 2025. 2 sites have been upgraded so far
- Set up a registered provider Voids and Lettings peer group to share performance, challenges and good practice
- Produced a series of buyer personas for Home Ownership
- Launched a series of affordability calculators to support customers in their research stage and help them understand their home ownership options
- Updated and re-launched our Home Ownership website
- Produced a series of support videos in collaboration with Platform Property Care to enhance the video call pilot and offer digital resources to customers to reduce call outs
- Commenced a half-way point review of our five year Corporate Strategy 2021-26 and we continue to monitor progress against the Strategy
- Our Ideas Lab continues to provide colleagues with opportunities to share ideas about improvements
- We continued to embed and deliver our Equality, Diversity and Inclusion Strategy
- Commenced recruitment for our next cohort of Trainee Board Members
- Appointed from April 2023, two new non executive Board Members (one of whom is a co-optee)
- Completed a stock transfer acquisition of 150 homes from another Registered Provider at Heyford Park, Oxfordshire
- Created and embedded our new in house quality inspection regime

Pioneering Technology - TAPPI Project

In September the Specialist Housing Team secured £70k funding that enables us to involve older residents in creating and shaping new digital services within the housing sector.

The TAPPI Project, funded by The Dunhill Medical Trust and supported by the Housing LIN and Tec Services Association chose Harling Court, our Ledbury based retirement village, as one of only six country-wide test sites to take part in the trials.

TAPPI seeks to investigate the opportunity that technology has to enrich and enhance the everyday lives of the ageing population and aims to improve the way technology is used in housing and within the care for older people, across the country.

Residents have now been given 42 tablets to support them to get online, each receiving individual training, alongside weekly digital workshops to build confidence and independence.

Customers exploring how technology can support their daily lives

Delivering to our Strategy (cont.)

- Created a new gas free specification for the delivery of more sustainable homes
- Launched our Wellbeing, Health and Safety, Reward and Recognition and Recruitment strategies
- Introduced a Strategic Workforce Planning framework
- Implemented EachPerson as our employee reward and recognition platform
- Established an employee Health & Safety Committee
- Developed and launched our in-house designed and delivered Leadership Development Programme to all leaders and managers across the business
- Designed in-house learning modules including Unconscious Bias; Damp, Mould and Condensation; Market Abuse Regulations; DSE; Fire Awareness; Fraud Awareness
- Rolled out bespoke Bring Your Best Programme for Platform Property Care (PPC) including a PPC model visit
- Designed and delivered Platform's first all Colleague Conference (One Team, One Voice, One Vision)
- Launched our Core change programme and Shaping Future Finance Project
- Developed and launched our Enterprise Project Management Office (EPMO) team and strategy to support the business and its transformation ambitions
- Retained our accreditation of ISO 27001

Initiatives continuing into the 2023/24 financial year and beyond are:

- To continue, over a 3 year investment programme, to upgrade alarm systems following TSA audits
- To work with the new Government Housing for Older People Taskforce to look into how older persons accommodation can more easily attract funding for regeneration
- To continue to update our Home Ownership website
- To launch the updated Corporate Strategy – taking into account feedback from colleagues and customers and include guidance for producing sub-strategies to ensure alignment with the main strategy
- To continue to work with at least 5 Local Authorities to provide homes for Ukrainian and Afghan refugees
- To align to Real Living Wage pay rates for all colleagues including apprentices from April 2023
- To relaunch our People Platform employee consultative body
- To continue to deliver our Leadership Development Programme to the business
- To continue with our Core Change Programme to fully leverage and embed emerging technologies and improved processes

We'll continue to work with the new Government Housing for Older People Taskforce to look into how older persons accommodation can more easily attract funding for regeneration

Our values

Our values underpin our strategic objectives and describe our style of leadership and the way our people behave. We continue to embed our organisation-wide values and behaviours training, development plan and toolkit named 'Bring your Best'. This training works with our values to set ideal standards, which we apply directly to the way we run our business, recruit our colleagues, manage our performance, and recognise and reward good work.

We have also launched our multi-module leadership development programme to further support our belief that our values inspire and guide us through everything we do. It is important to us that our colleagues reflect the important shared attitudes, beliefs and behaviours that we want to see, feel and hear in Platform.

People Matter

The way we treat each other

We put colleagues and customers at the heart of everything we do. Valuing difference, we are free to challenge each other and are open and honest in our relationships.

Own It

The way we want to work

We say what we'll do and then we do it. We listen, understand and are empowered to make decisions. We look for our own ways to learn and adapt and focus on what we can do.

One Team

The way we deliver our services

We are connected, collaborative and in it together. We want everyone to reach their potential and be the best they can be. We actively support each other to make this happen.

Be Brave

The way we look towards our future

We are curious and courageous. We look for better ways to do things, are comfortable trying them and learn quickly. We are not afraid to stand out from the rest and celebrate our successes.

Our People Values are underpinned by a set of behaviours which outline the actions and ways of working that all our colleagues must all work to demonstrate.

Performance against Objectives

The Platform Housing Group (The Association), is a Community Benefit Society, a charitable registered provider of social housing and is the parent undertaking of the Group which consists of the parent and five subsidiaries:

- Platform Housing Limited is an asset-holding charitable registered provider and is a Community Benefit Society;
- Platform Property Care Limited (PPC) is a company limited by shares and provides a full range of maintenance services to the Group as well as operating in a Cost Sharing Group (CSG) with local partner Rooftop Housing and from the 1 April 2022 Stonewater Housing;
- Platform New Homes Limited (PNH) (formerly ESHA (Developments) Ltd) is a company limited by shares and provides construction and development services to the Group;
- Platform HG Financing Plc is a public limited company limited by shares and is a funding vehicle for the group; and
- Waterloo Homes Limited is a dormant company

The macro-economic environment continues to challenge our organisation, its residents, its people and commercial partners and this continues into the 2023/2024 year. Our social purpose will always be our key driver and we keep this at the heart of our responses to this continuing challenge. Our emphasis continues to be on providing help for residents to increase their resiliency for the longer term impact. Platform launched a temporary Wellbeing Fund in March 2021 and c£2m was spent from this fund in 2022/2023. The Board has continued to support this fund and has allocated a further £1.75m for 2023/2024 in recognition of the continuing extreme economic challenges that we are all still facing. A total of £3.6m has been spent supporting residents and community groups.

Platform is a strategic partner to Homes England and has a capital grant allocation under the latest Affordable Homes Programme (AHP). The labour and material supply chain continues to challenge the construction industry and our move to a more land led development strategy has led to a minor reduction in completions this year. We continue to supplement the limited grant received with surpluses generated by our activities in order to provide as many new homes, in the right mix, as we can to continue to address the housing crisis.

The Group is registered with, and regulated by, the Regulator of Social Housing (RSH) and works within the regulatory framework for social housing. Platform collaborated in 2021 with an In Depth Assessment (IDA) from the regulator and the latest Regulatory Judgement, received in November 2022, again confirmed that the organisation is properly governed and managed (G1), and continues to be financially viable (V1).

The Group provides a varied range of housing including general needs, housing for older people and retirement living schemes, as well as supported housing schemes for young people, disabled people and homeless families. Complementing this core activity, a limited number of intermediate, student and market rent properties are also provided.

A total of
£3.6m
has been spent supporting residents and community groups.

Group Key Performance Indicators

The key performance indicators are set at Group level and are used to assist the Board in monitoring progress against delivery of the corporate strategy. The results as at the end of March 2023 are shown below against our target for the year. The table also shows our performance against appropriate benchmarking data widely available in the sector for 2021/22.

Where the benchmark shows Platform in Q3 or Q4 we have set a target to improve backed by a detailed plan of action.

Measure	Benchmark	Sample*	Source	Target	Actual
Performance against Affordable Homes Programme				100.0%	100.7%
Sales against target				100.0%	81%
Number of new homes completions	Ranked 8th	31	Global Accounts	1,392	962
Operating margin	Ranked 10th	31	Global Accounts	33.5%	30.9%
Current tenant arrears	Q2	61	Housemark	3.2%	2.56%
Former tenant arrears	Q1	55	Housemark	1.5%	1.69%
% Shared Ownership arrears				1.5%	2.38%
Average re-let time – General Needs	Q3	48	Housemark	30.0	83.1
Number of available voids at year end	Q4	24	Housemark	400	323
Overall satisfaction with the service provided (STAR)	Q4	22	Housemark	75.0%	70.7%
Complaints responded to within targets	Q4	22	Housemark	95%	69.6%
% of properties with a valid gas safety certificate	Q3	22	Housemark	100.0%	99.97%
Employee satisfaction				75.0%	66.0%
Employee turnover rate (Voluntary only)	Q4	55	Housemark	12.0%	12.0%
Average number of days lost to sickness	Q3	55	Housemark	7.0	8.5

* Sample size is the number of organisations either included, or who supplied data for the KPI

Performance against Objectives (cont.)

Financial

Platform reported an underlying surplus for the year 2022/23 of £48.6m. All of this will be re-invested into the provision of new homes and in improving our services. Our Long Term Financial Plan forecasts that our operating margins would reduce in 2022/23 and 2023/24 and then start to slowly recover from 2024/25. This is as we continue to invest in our properties, our people and our systems. Our operating margin of 30.9% (2021/22: 33.4%) has been additionally impacted by the supply chain issues as backlogs to maintenance (now cleared) and increased voids and void letting times have impacted costs again this year. Operating margin without disposals remains within the upper quartile for the sector at 27.4%, which maintains our strong position to face the continuing economic uncertainty.

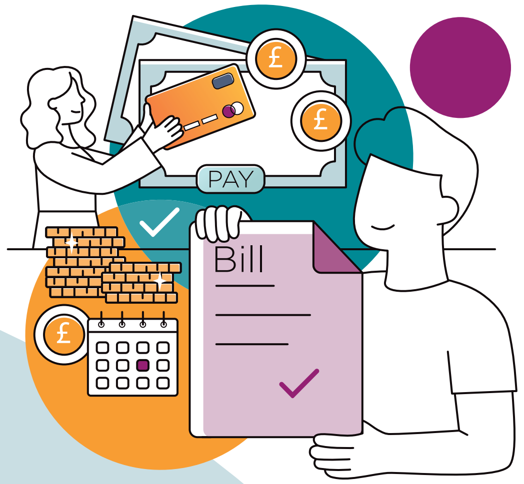
Arrears

The Current Tenant Arrears (CTA) for Platform Housing Group's Social general needs properties at the end of March 2023 is 2.58%. The March CTA for Shared Ownership is 2.36%, bringing the Group CTA out at 2.56%. This is an increase of 0.07% compared to last years CTA of 2.49%. We have seen more customers than ever struggle this year, with the cost-of-living crisis really impacting them financially. Cases have become more complex and referrals internally and externally have been higher than ever. The wellbeing fund has allowed us to further support our customers in their time of need, however for some customers, despite the support provided, they have still struggled to ensure every rent payment is made to us.

We have therefore seen an increase in the total arrears figure compared to last year and this was expected as our trends throughout the year had indicated month on month increases compared to the previous year. We also benchmark ourselves against our peers and from this we could also see that an increase in arrears has been a sector trend, and that the cost-of-living crisis has become a stark reality over the last year. However, our roles in our Incomes Team are to prevent and minimise arrears as much as possible as well as working hard to support our customers in every way we can to ensure their tenancy is successful, and we have certainly achieved that this year. Court action is still taken as an exception and only instigated where absolutely necessary in circumstances where every other alternative has been explored and failed to achieve reasonable debt recovery or successful customer contact. The number of evictions for rent arrears has reduced by over 50% in comparison to pre-pandemic levels.

Customers have been impacted by increased mortgage rates especially where their fixed term mortgages have come to an end or where they are on variable mortgage rates and monthly payments have been increased. The uncertainty in the housing market has also had an impact on the current tenant arrears. We have a number of deceased estates, and we can see that it is taking longer for these properties to be sold. We are having increased conversations around customers options where they feel that they are unable to maintain their mortgages and want to sell their properties.

We are currently exploring what technology is in the market to support our team with tackling rent accounts and arrears. The aim is to work towards a solution which allows our officers to work smarter and automate targeted contact based on customer preferences, allowing Officers to have the in-depth conversations required with those who need it the most.



Universal Credit (UC) Performance Overview

There are 17,180 recorded Universal Credit (UC) claimants as of March 2023 at Platform. Within the last 12 months, Platform has contacted this customer base to validate claimant circumstances to ensure our customer insight remains accurate. Successful contact was established with 31% of the customers, with very few reporting a change of circumstance which prevented them from continuing to claim UC. Our UC claimant base has increased by 16% over the last 12 months which is a 2% reduction on the previous financial years growth. This increase is inline with the predicted forecast of 17,088 UC claimants for 22/23 based on Managed Migration of all other legacy benefit claimants not commencing until 2024.

The total arrears attributed to UC customer rent accounts amounts to £4.645m at March 2023, which equates to a current tenant arrears percentage of 4.48%. As outlined, the cost-of-living pressures on low income households has contributed to the arrears increasing and we have seen a sharper rise in arrear levels over the last 12 months within this customer segment.

Migration of the remaining legacy benefits onto UC by 2024 remains a target for the Department of Work and Pensions (DWP). Further analysis and trials in pilot areas have been required to shape the migration programme and approach needed for broader rollout. The DWP have 3 defined routes for migration:

- Natural migration: change in circumstances
- Voluntary migration: move by choice
- Managed migration: migrated by DWP

Through continued working with the DWP partnership managers and developing customer insight internally, the year ahead will be prioritising engagement with legacy benefit claimants to ensure they are UC ready and aware of the transitional protections available to them as part of the Managed Migration rollout.

Alexandra Court Renovation

Following a DIY SOS style makeover and investment of £22,000 by the group, Alexandra Court, a retirement scheme based in Lincolnshire, officially re-opened its communal areas in December 2022.

Alexandra Court – which comprises of 27 flats and 5 bungalows – was chosen for a makeover to bring it up to more modern standards. Customers living at the scheme were consulted about the refurbishment work and were involved in choosing the colours and the furnishings

The communal areas were refurbished thanks to Platform colleagues rolling up their sleeves and working in partnership with contractors Hankinsons, NAP, Howdens, BuildBase and Travis Perkins, who donated building materials and supplies for the project.

The areas refurbished included the entrance hall, with new flooring and pictures; the communal lounge, with new carpets, furniture, curtains, lighting, TV, snooker table, decoration and installation of a serving hatch between the lounge and the kitchen, along with a new kitchen, flooring and decoration.

Platform's Director of New Customers and Specialist Housing Sarah Sutton said "Identifying schemes that need a makeover is a key part of ensuring that our customers live comfortably. As a group of managers, it was also a good exercise for us to go back to basics and really make a difference!".

Residents were very pleased with the new look communal spaces with Jan Baldwin, one customer remarking "This new area is warm and inviting and I like the comfortable seating, so now I come and watch the TV. The new kitchen is great, and I am excited to use it.

Alexandra Court refurbishment

Performance against Objectives (cont.)

Tenancy support

The Successful Tenancies team work with customers on a referral basis to support customers with housing budgets and money advice, income and expenditure assessments and support with applications needed to access unclaimed welfare benefits, claim appeals and backdated payment requests. In 2022-23, the team supported 6,317 customers working to achieve £2.583m in income maximisation activities for Platform customers. The team also monitor the social value impact of the activities completed with customers, year to date the team have generated a further £5.377m in economic social value.

Alongside the tenancy sustainability work carried out by the Successful Tenancies team; Platform also provides a Wellbeing Fund provision for customers providing fast and flexible support to those in short term financial crisis. In 2022-23, the fund supported a further 6,488 customers to access financial support and year to date spend in this area amounted to £1.982m with an average award of £291.85 per customer.

Platform has continued its partnership with Stay Nimble who provide the following services free of charge to customers:

- Six hours of free coaching with a dedicated career coach
- Free lifetime access to the online platform
- Online self-assessment tool and action planning
- Career and job search engine tailored to where customers live
- Guidance and support with CV writing

Through the tools available to customers and periodic surveying as part of ongoing membership; Platform is also able to report a social value figure of £94,462 for 2022-23. Social value for this initiative is measured against employment, wellbeing and financial outlook of the 90 customers who registered for access to the service in 2022-23.

Over the last 12 months the Group had 131 customers across a mixture of tenures with a combined rent arrears of £84k that were entered into the Government supported debt respite scheme called Breathing Space. Platform customers entering into this scheme are provided with temporary protection from arrears contact chasing and/or enforcement action relating to any debt owing to the Group for (up to 60 days). The scheme was introduced following changes to the Breathing Space Moratorium and Mental Health Crisis Moratorium regulation changes in November 2020, and they came into force on 4th May 2021.

Whilst the number of customers entering into the Breathing Scheme arrangements remain minimal to the Group, there has been an increase on the preceding year where a total of 108 customers were reported.

Void properties

At the end of March 2023 the number of our properties void was 323, this is a reduction of 131 voids compared to the previous year and equates to 0.81% of stock. Tenancy terminations averaged 230 per month across the year, slightly lower than the average 250 per month in 2021-22. Re-let times for all tenures remained above the 30 day target (25 for general needs properties) at 71.0 days.

Successful Tenancies Team supported **6,317** customers

£2.583m in additional income support for customers

Social Value generated by the teams activities = **£5.377m**

Wellbeing Fund **– 6,488** customers supported

£1.982m – average award £291.85 per customer

Pressure on labour availability, material supply and responsive repair backlogs continued to adversely affect turnaround times. The focus for 2023-24 is to reduce void turnaround whilst balancing the creation of sustainable tenancies and communities. New homes were let at an average of 0.32 days against a target of 3 days.

Complaints and compliments

In 2022/2023 we have seen a significant increase in complaints, this is a theme being experienced across the sector and by the Housing Ombudsman Service (HOS). We take all complaints extremely seriously and to strengthen our responses we revised our Complaints Policy in September 2022 and completed our self-assessment against the revised Housing Ombudsman Complaints Handling Code.

There were 532 compliments received during the year, this is a slight decrease when compared to the 556 that were received during the previous year. The compliments received are overwhelmingly about our people and this is linked with the high level of positive feedback received through our new in-house surveying tool.

The Group received 1,249 (2021/22; 875) formal complaints between 1 April 2022 and 31 March 2023, this equates to 0.032 per property for the period. 1,140 formal complaints were investigated compared to 835 the previous year. 72.8% being upheld so the Group is still seeing a high level of upheld complaints. 71.84% of all complaints investigated were done so within the Housing Ombudsman Complaints Handling Code timescales of 10 working days, in all instances where additional time was needed this was agreed with the customer.

The Group reviewed 276 (2021/22; 153) complaints at the final review stage of the complaint's procedure during 2022/2023, which equates to 24% of all formal complaints investigated which is higher than in previous years, it has previously been c18%.

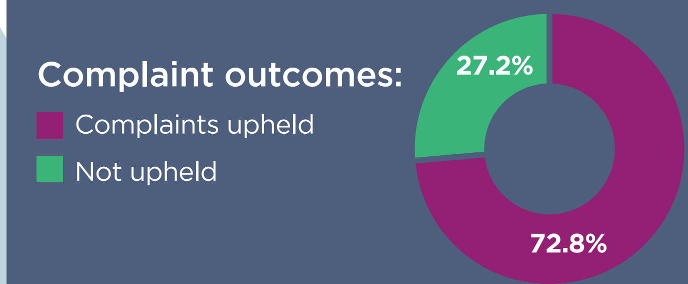
Compliments:

532 compliments

Complaints:

- **1,249** complaints received.
- **1,140** complaints investigated
- An increase of **355** on the previous year

Complaint outcomes:



Nature of complaints:

The top 6 categories of the 1,140 complaints investigated during the year were:

- Time taken to complete repairs – 26.6%
- Not right first time – 16.4%
- Not communicating with customers – 16.3%
- Challenging decisions – 7.9%
- Damp and mould – 7.9%
- Not doing what we say we will – 7.9%

Performance against Objectives (cont.)

Customers

We continue to use our in-house developed surveying tool for completion of additional customer satisfaction surveys. This involves customers completing surveys closer to the time a transaction has taken place and allowing the Customer Experience team to follow up on any issues identified by the customer following the survey response being submitted. The overall satisfaction figure is now made up of a number of transactional surveys all contributing to the overall picture.

Time Period	Overall Satisfaction April 2022 – March 2023				
Customer satisfaction	Average satisfaction score	Average sent score	Surveys sent out	Number of responses	Response rate*
70.7%	3.98	3.73	197,549	34,980	17.7%

The new customer survey tool has been in place now for 18 months, it is enabling the Group to harness insight from customers in their own words. The questions that we ask that inform the overall KPI is for the customer to score their recent transaction with Platform out of five and then to tell us the reason for that score. We have added additional transactional surveys during the year and the KPI for overall customer satisfaction is now made up of ten individual surveys.

One of the most important things that the survey feedback has shown us is how much our customers value our people. There are overwhelmingly positive comments about how our people deal with customers every day.

We are continuing to review the data that we are harnessing from our transactional surveys. From April 2023 we will start to collect data for our TSM perception surveys so we plan to review our approach to surveys during financial year 2023/2024.

Some of the key changes made as a result of customer feedback in 2022/2023 included:

- Extended our use of Voicescape for the provision of Gas Service and Electrical Periodic Inspection appointments, reducing missed appointments
- Created a suite of information leaflets for how to manage condensation in the home and delivered training courses to all relevant staff to better understand damp, mould and condensation issues
- Created a suite of emails and letters to improve communication to customers on damp and mould issues
- Recruited more Customer Service Advisors and launched a Chatbot system from April 2023
- We have introduced the SwapTracker app for more visibility of a mutual exchange application
- Our ASB policy and procedure has been reviewed and updated and we have introduced a new Co-ordinator role to assist with customer communication
- Launched a system to allow follow on repair appointments to be booked whilst still at the customers home

Platform Hub managed another busy year for customer contact supporting different teams across the business. This was even more evident in Q3/Q4 where we experienced increased demand for the service by 18.2% and 9.8% respectively, with contacts by telephone being the preferred contact method at 71%. Digital contacts continued to increase with c127k received in 2022/23 – 7.8% increase on previous year. Our call back service still remains very popular with customers with 51,268 call backs completed and we achieved a success rate of connecting to customers at 94%. The increase in contacts during the last two quarters of 2022/23 will be attributed to the changes across the sector in relation to damp, mould and condensation, this significantly impacted our contact model. We continue to develop and adapt our new Microsoft Dynamics CRM software. In Q4, steps were taken to review the software and changes to this will come into effect during 2023/24 and produce positive changes that will contribute to reduction in process duplication.

Introducing Technology

This year we invested in new technology to make it easier for customers to get in touch.

Video calling/Chatbot and Live Chat have been utilised, giving customers the option for the first time to contact us in ways that work for them.

Video Calling – Between October 2022 – March 2023

- 1,712 chats have taken place

Between December 2022 – March 2023

- 2,778 Chatbot interactions were recorded
- 6,044 of your questions were answered, without the need to transfer to advisor live chat to resolve your enquiry
- Average response time – 0.63 seconds
- Average confidence score – almost 76%

Through the use of digital service innovations it has strengthened our strong foundations which we can build on in the year ahead to ensure we provide customers with excellent customer services and allow us to meet any future challenges.

51,268
call backs completed and we achieved a success rate of connecting to customers at 94%.

Performance against Objectives (cont.)

Platform Community Chest funded 98 projects totalling

£150k

investment

Community Chest Donations

We continue to invest in our Community Chest funding, open to customers and local charities to apply to.

A local primary school were one such project to benefit from the available funding this year. Toynton All Saints Primary School in Spilsby, Lincolnshire were gifted £700 to purchase much needed items for the school.

With the money the school purchased a friendship bench for the playground, sets of class dictionaries and a range of new French books to expand the educational offering in the school library.

Marion Duffy, Chief Operations Officer for Platform Housing Group was very pleased to have been able to support the school, especially its friendship bench, saying "Friendship benches are used in many schools and try to address loneliness and foster friendships in the playground. They are such a great idea as any children who are looking for someone to play with them, who are upset, or just wish to talk to someone about a concern, can go to the friendship bench for support".

The school have benefitted from the Community Chest funding twice and have been able to deliver great projects and initiatives with the help of Platform.

School children are pictured with Platform's Community Engagement Officer, Samantha Smith presenting the £700 Community Chest Fund donation to Headteacher Suzy Sutton.

Customer Experience Panel (CEP)

Ensuring customers are at the heart of what we do is central to Platform's strategic goals. During this year we have further developed the Customer Experience Panel (CEP). This group of customers sit at the heart of our engagement structure and play a pivotal role in the governance of Platform, representing the customer voice at a strategic level. The CEP meets every eight weeks with members of our Board and senior leaders to review performance and the services we provide to all customers and to challenge and discuss areas of improvement.

Over the past year we have on-boarded new customer panel members who have broadened the range of customer representation on the panel. Further recruitment has been undertaken this year to further expand the strength and diversity of the panel.

The CEP continues to play an active role in reviewing the Group's performance and provide healthy challenge and debate to scrutinise our services at a strategic level. The CEP has reviewed thirteen policies and strategies and individual members of CEP continue to take an active role in a range of project groups to influence a broad range of services. The panel meet on a rota basis to review and approve funding from Platform Community Chest to ensure that this funding pot has maximum impact across Platform communities.

Customer and Community Engagement

In the past year we have continued to grow our Platform-wide community engagement programmes and develop a data-led approach to community engagement and investment. We have developed our understanding of our communities through the development of internal customer data and external data including census data and Indices of Multiple Deprivation (IMD), amongst other sources, to develop a better understanding of our communities' needs and preferences. This data is informing the way we engage with customers and the types of activities we deliver.

In addition to regular community engagement activities throughout the year, led by the Community Engagement Team, we have continued to deliver our Communities Connected initiative. In 2022 we delivered this through two fortnights, one in spring planned around the Platinum Jubilee and another in autumn with a focus on the cost-of-living crisis. These fortnights offered colleagues across Platform the opportunity to get involved in a range of community activities along with Board members, stakeholders and most importantly our customers. Activities included garden clear-ups, Halloween activities for children, re-wilding activities and digital inclusion activities along with many more. These activities were open to all Platform colleagues to get involved with and provided an opportunity for the whole Group to connect with customers and communities. Across the two fortnights:

- We delivered 245 events and activities
- We have delivered in 23 local authority areas
- Platform colleagues got involved in over 500 opportunities
- We worked with 70 community partners and local businesses
- Engaged with over 2500 customers taking part in events and activities

Communities Connected was a huge success and we are developing the approach further over the coming year with activities planned over 9 months, in addition to the two focussed fortnights and an additional focus on volunteering opportunities in December as part of our Christmas Kindness campaign.

In the year to March 2023 the Platform Community Chest funded 98 projects with a total investment of £150,000. Applications have been received from schools, charities, not-for-profit groups and groups of customers. The projects had wide ranging benefits, with 76 achieving a positive impact on health & wellbeing, 68 on community cohesion, 38 on skills and employability, 6 on community safety and 5 on digital inclusion. Of the total investment, £10,000 from Community Chest supported over 50 Warm Hub project, combined with an additional £10,000 of external grant funding awarded by EEM and £10,000 from the Wellbeing Fund to support the overall initiative.

Warm Hub Grant Funding

This year, alongside £10,000 grant funding from the EEM Trust, we supported our communities by investing a further £20,000 from our Wellbeing and Community Chest Fund into warm hubs across our localities, in a bid to tackle the cost of living crisis affecting communities.

More than 50 warm spaces across Gloucestershire, Herefordshire, Worcestershire, Leicestershire, Lincolnshire, Derbyshire Dales and the West Midlands, received a share of the £30,000 funding which enabled them to hold more sessions, stay open longer and offer more food. The funding also made it possible for us to provide warm packs for people to take away with them to help keep them a little warmer at home.

Platforms Community Engagement Officer, Samantha Smith (centre) pictured with Platform colleagues presenting £500 warm hub funding to volunteers at Winnies in Skegness.

Performance against Objectives (cont.)

We have continued to conduct a range of activities from governance related engagement including scrutiny investigations and policy reviews by the Customer Experience Panel, to local community consultations The following provides a snapshot of the range of activity we have offered over the year:

- An in-depth scrutiny investigation conducted through online engagement
- On-going involvement by the Scrutiny Panel in a service improvement project to develop Platform's ground maintenance specifications
- 13 policies and strategies reviewed by the Customer Experience Panel through the use of Teams and email
- 3 focus groups with customers
- 647 responses from the Customer Sounding Board in 18 projects via email and online questionnaires
- 2 customer engagement surveys

We have continued to develop and promote the range of opportunities that we provide for customers to get involved and have their voice heard in shaping our services. This year we have launched our pilot project into customer co-creation. With the support of a specialist co-creation consultancy we have worked with a number of internal stakeholders to identify a project to pilot this approach to engaging customers in a way that strengthens the customer voice and enables customers to influence the development of services at a much earlier stage. The pilot project, that currently has customers engaged with a range of Platform colleagues to review our approach to fire safety, was concluded in May 2023. The learning from this pilot will inform our approach to co-creation going forward that aims to embed a more customer-centric culture across the Group.

Asset Management

The Group continues to operate a '3-star' service contract for all gas and fuel burning appliances. The number of properties with a valid landlord's gas safety certificate was 99.97% but failed to reach the target of 100% at year-end. This is caused by properties for which access could not be gained to service gas components. In these cases legal action is under way to access these properties.

The Group has seen an increase in enquiries following the increased profile of damp, mould and condensation issues (DMC). In response to this the Group has delivered refreshed DMC training to both on site operatives and office colleagues. We have also set up a triage service using video call technology to allow us to identify and prioritise any urgent issues.

Platform Property Care continues to deliver maintenance services to the Group. The operating environment in this area remains difficult with skilled labour shortages, cost increases and the challenges of the supply chain. Despite this, the Property Care team have now cleared the backlogs from the Covid lockdowns and continue to maintain the service. The Group has welcomed Stonewater Housing into our Cost Sharing Vehicle from 1 April 2022 and provides reactive maintenance and grounds maintenance for part of their property portfolio.. The Property Care team have also taken delivery of our first electric vans and will receive more during 2023/2024 as we move towards the optimum electrification of our fleet.

The Group's Asset Management Strategy is to achieve a SAP rating of at least 69 points (energy performance rating of C) for all our residential stock and to aspire to a standard above Decent Homes. Re-let maintenance standards have been reviewed and work started in 2021/2022 on the significant task of energy efficiency upgrades and retrofit for carbon neutral housing. We will be investing in our existing stock to improve all our homes by two ratings above their current level.

Culture and employees

Since the formation of Platform Housing Group in October 2018, Platform has continued to develop and build its culture of people and continuous improvement centred around its core people values. Our core values were launched in April 2021 following a very collaborative journey to define them and the associated behaviours that bring our values to life. Our values provide us with the blueprint to make a fundamental difference to everything we do. Our values are:

- **People Matter –** the way we treat each other
- **Own It –** the way we want to work
- **One Team –** the way we deliver our services
- **Be Brave –** the way we look towards our future

The last 12 months has seen the development and launch of our Leadership Development Programme. This in-house bespoke designed and delivered programme aims to help those colleagues who are currently in leadership positions and those who may want to step into a management role in the future. Split into a series of modules, the Leadership Development Programme is aimed at supporting specific skills and people competencies across the business. The Programme will ensure we have a consistent leadership language across the Group and will support the delivery of our Corporate Strategy, continue to embed and sustain our values and behaviours, constantly develop and engage our own people and ensure we are doing the best we can for our customers.

Colleague engagement remains a key priority for the Group. Our participation rates in our Engagement Survey help us to understand how representative the feedback is. Our survey response rate for January 2023 was 71%, this is an 8% improvement when compared to the baseline measurement taken in January 2022, and an 18% improvement compared to the pulse survey taken in the Summer of 2022.

From our most recent Colleague Engagement Survey, our score is 66%, this is a 3% improvement when compared to the baseline survey in early 2022 but is still below our target of 75%.

Christmas Kindness Donations

Investing in our annual Christmas Kindness campaign saw us donate over £35,000 this year, enabling us to support more than 50 vital and local charities, such as Jigsaw food bank, in the run up to the festive season.

With ongoing financial struggles due to the cost of living crisis, the Christmas period puts additional strain and pressure on families to ensure they have presents and food for their loved ones. Our investment has enabled charities, like Jigsaw, to buy special Christmas food and gifts for children.

Jigsaw Food bank were gifted £2,000 to enable them to support more families in the Matlock and surrounding areas.

Ruth Longfellow, Jigsaw Foodbank Coordinator said "Jigsaw Foodbank is incredibly grateful to Platform Housing for the very generous donation of £2,000 which made sure that the children of the families we are supporting didn't have to go without."

Platform's Director of Housing, Lisa Fairlie (right) is pictured presenting the donation to Jigsaw's Support Worker, Sarah Earlam (left) surrounded by all the children's gifts.

Performance against Objectives (cont.)

Strengths are what we celebrate, whilst opportunities represent the engagement factors we should keep an eye on for improvement. These are the key areas we are excelling in, and areas we scored best when compared to the Non Profits 2023 benchmark.

Our highest three scores were:

- I know what I need to do to be successful in my role – 87%
- My manager genuinely cares about my wellbeing – 86%
- I know how my work contributes to the goals of the organisation – 84%

Our year end results for both employee turnover and average number of days lost to sickness have seen an improvement over the previous years figures. Turnover has remained steady and in line with our target of 12% demonstrating strong employee retention during a volatile and pressurised recruitment market. Sickness absence continues to track above our target although this continues to reduce as we implement improvements to procedures and embed our Wellbeing Strategy.

Providing new homes

During 2022/23 Platform has continued to concentrate on delivering a programme of predominantly affordable homes in areas where they are needed the most, whilst moving our development strategy to a more land led development model. The years performance, despite a challenging market, continues to place us as a larger developer of affordable housing both nationally and regionally. We completed 962 new homes during the year, purchased 2 buybacks and 150 homes from a for profit RP in the year resulting in a total addition of new homes of 1,114.

The 962 new build completions fell short of our target of 1,392 due to pressures on planning, highways sign off, quality, labour and supply chain. Our drive for quality also saw a significant number of new homes move to 2023/24 for completion to allow constructors more time to meet our new homes standard. Our move towards a land led development programme extends the lead times of a project which can cause extended delivery timescales. The land market remains competitive and more work is required prior to acquisition which also elongates estimated delivery dates.

Despite the pandemic and subsequent economic challenges, the Group's aspiration for growth remains strong and we continue to focus on acquiring good quality sites with the necessary risk mitigations in place. These sites are backed by Homes England funding of £250m+ through the Strategic Partnership programmes, and are being developed together with our key local authorities. We will continue to bid for future Homes England grants and other sources of grant funding to support our growth plans.

We have always had ambition to provide as much social and affordable housing as our financial strength can support. This continues to be a key goal for the organisation but the Board reviewed our priorities last year in light of market challenges and this has now been reprofiled to sit behind our Retrofit ambitions for the near future.

We continue to work on a model to create 'a home for life and a great community to live in' that is supported by our aspirational Platform Standard. Our approach to MMC continues to evolve to ensure that it supports our target to decarbonise and future-proof our development pipeline. We are actively working to meet our target of delivering 20% of our new build properties through MMC by 2024 and 25% by 2026, through cooperative supply chain management.

	Affordable Rent	Social Rent	Shared Ownership	Total
Developed	383	222	357	962
Properties purchased	103	1	48	152
Total properties	486	223	405	1,114

Building New Homes

Platform Housing Group continues to invest and build new homes across localities. The Group retained its relationship with Homes England and secured £250m grant funding for the next five years build programme. Long term strategy aims to move the group to a larger land-led development programme, that focuses on quality and value.

Branching out into new areas

This year Platform undertook its first ever development in the Forest of Dean. Homes at Watery Lane in Newent have started to be built and will provide 40 units for shared ownership.

Partnership Working in Rugby

Alongside Countryside Partnerships and Sigma, Platform Housing Group has embarked on a high-quality build site comprising of 90 homes on Wolvey Campus, Rugby.

The former industrial site will make way for a range of two, three and four-bedroom properties. Of these, 18 will be shared ownership, 40 sold on the open market and 32 will be under Sigma's private rental brand, Simple Life.

The development will be known as Kingsmakers View and will include open spaces for residents and the community as well as a children's play area.

As part of the new development, the local community will benefit from financial contributions to education, libraries, healthcare, transport and infrastructure as well as improvement works to the Wolvey Rush Pasture Nature Reserve and sports provision.

Platform ranked highly:

Platform remains in the top 10 for its pipeline developments in the sector, following the publishing of Inside Housing's annual survey.

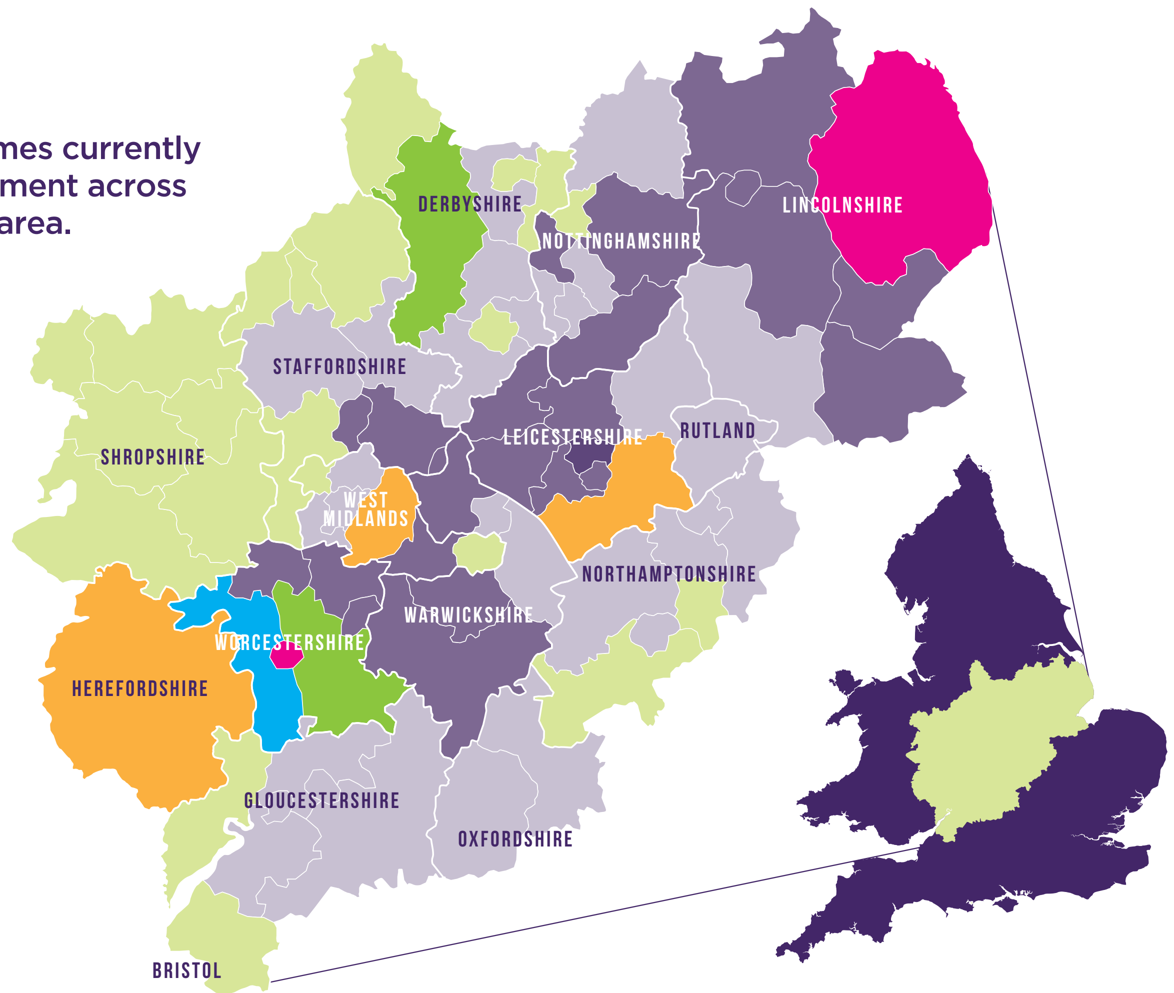
Judged on many different figures from the last 12 months, Platform now sits in the top 20 for the Biggest Builders compared to associations from up and down the country.

Elizabeth Froude, Chief Executive said "We're really pleased to rank so highly again within our sector, despite the many challenges created by Covid. Our team have pushed hard to deliver a programme focussed on social and affordable new homes for our residents and our commitments as a Strategic Partner, as well as ensuring our pipeline for the coming years."

Gerraint Oakley, Executive Director of Growth and Development is confident of this number raising next year, stating "We're looking to increase our completions beyond those figures and we have a number of acquisitions taking place that will significantly increase on what we have reported so far. We are also actively looking at new land opportunities and joint venture partners to further increase our total completions not just for the next 12 months but over the next five years."

Our Operating Area

Number of homes currently under management across our operating area.



Total properties owned **48,082**

28,584 General needs housing

7,843 Affordable rent

6,199 Shared Ownership

1,145 Leasehold in management

425 Non social leased

3,309 Supported housing and housing for older people

466 Intermediate rent

111 Non Social rented

Chief Finance Officer's report

I am pleased to present the financial report for Platform Housing Group Limited. During 2022/23 we generated an overall surplus before tax of £48.6m with an operating margin of 30.9%.

Results

Overall Group turnover increased to £300.0m in 2022-23 from £296.9m in 2021-22. Social housing rental increased by 5.7% to £248.2m (2021-22 £234.6m). A further £33.3m was generated by Shared Ownership first tranche sales, £15.1m from the delivery of non Platform maintenance contracts by Platform Property Care and £3.4m from a number of other activities.

The underlying operating performance continues to be stable despite the maintenance backlog from Covid lockdowns which has now been completed, supply chain and labour cost pressures and our continuing process of transformation. Our Operating Surplus of £92.8m and an operating surplus before gains on disposals of £81.5m will be reinvested in new and existing housing stock with a balance retained to secure an increase of loan finance for future growth.

The change between the years principally arose for the following reasons:

- A full year's increase has been applied on rent charges.
- Other and non-social housing turnover has increased due to rent increases on non-social housing units and increased income from external maintenance contracts with the addition of a new partner in the Platform Property Care CSV.
- 1st tranche property sales reduced in the year due to our development handover profile.
- Operating costs have increased in all areas in the year. Platform has continued to invest in its employees this year to support our transformation strategy and level of customer service. We are experiencing increasing supply chain costs and experienced higher costs in the Platform Property Care CSV due to the additional partner.
- Repairs costs including major repairs increased due to supply chain challenges, the backlog of jobs from the pandemic lockdowns and increase in service demand. The backlog of jobs has now been cleared but additional pressures on Damp, Mould and Condensation jobs continue into 2023-2024.
- The carrying value of investment properties is reviewed annually and this has increased in line with the market.
- The Group continues to assess property assets and has a disposal programme for those that no longer meet the criteria for our return on assets. The sale of these assets generated a marginally larger surplus this year. Shared Ownership staircasing sales have increased again this year.
- Net funding costs decreased during the year primarily due to lower interest rates and minimal new borrowing.

The movement in surplus between 2021/22 and 2022/23 is shown by the chart below.

Chief Finance Officer's report (cont.)

Business Health: Trend Analysis

The Group's results over the last five years is shown in the table below.

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Turnover	300.0	296.9	269.9	257.1	273.6
Operating Surplus	92.8	99.2	110.2	107.3	109.2
Net Surplus	48.6	42.9	56.1	57.9	66.9
Operating Margin	30.9%	33.4%	40.8%	41.7%	39.9%
Net margin	16.2%	14.4%	20.8%	22.5%	24.4%
Housing & other net assets	3,032.4	3,019.0	2,701.3	2,507.6	2,493.8
Creditors after more than one year	(1,913.7)	(1,947.9)	(1,673.6)	(1,534.9)	(1,579.8)
Pension Provision	(12.4)	(50.0)	(65.8)	(47.9)	(65.9)
Other Provisions	-	-	-	(0.1)	(0.1)
Net Assets	1,106.3	1,021.0	961.9	924.7	848.0
Income & Expenditure Reserve	890.0	804.3	744.7	703.8	626.6
Revaluation Reserve	216.3	216.7	217.2	220.9	221.4
Total Reserves	1,106.3	1,021.0	961.9	924.7	848.0
Return on Net Assets	8.4%	9.7%	11.5%	11.6%	12.9%

The Group's turnover and operating surplus by social housing activity is shown below.

	2023 Turnover £m	2022 Turnover £m	2023 Operating Surplus £m	2022 Operating Surplus £m	2023 Margin
General Needs Housing	203.1	193.1	68.7	71.5	33.8%
Supported Housing	20.8	19.7	(2.8)	(1.2)	(13.5%)
Shared Ownership	24.3	21.8	13.7	12.3	56.4%
Social Housing	**248.2**	**234.6**	**79.6**	**82.6**	**32%**
Other Activities	18.5	13.5	(4.0)	(2.5)	(21.6%)
Shared Ownership Sales	33.3	48.8	5.9	9.7	17.7%
Total	**300.0**	**296.9**	**81.5**	**89.8**	**27.2%**
Gain on disposals/revaluations	-	-	11.3	9.4	-
Total	**300.0**	**296.9**	**92.8**	**99.2**	**30.9%**

The overall social housing margin was **32%** for the year, operating margin net of disposal of property, plant and equipment was **27.2%** and including sales was **30.9%**. Our core financial performance continues to be complemented by, but not dependent on, property sales.

Our long-term financial planning had previously identified that the financial years 2022/23 and 2023/24 would result in higher costs and lower margins. Our current long term financial plan continues to support this view and indicates that margins will start to recover slowly from 2024/25. This forecast financial profile is the result of investments in people, system processes and procedures and in the retrofit investment in our housing assets. Efficiencies and improved customer service delivery are the expected results from the transformation work and these efficiencies are expected to start being generated in 2023/24. The additional investment in our properties is reflected in the Social Housing Cost per Unit table on page 35. At the same time investments in our existing stock for Energy Efficiency and Net Carbon are increasing our major repairs costs.

The following table compares the Group's performance using a number of financial indicators, benchmarked against the 2022 Global Accounts for the sector with a sample of associations with stock holding of over 30,000 homes. The total sample size for comparison is 31 organisations including both LSVTs and traditional HAs. The sample was chosen in order to benchmark with larger organisations and to ensure that the sample was sufficiently large to enable a balanced comparison.

Key Financial Ratios:	Benchmark [2021/22]	2022/23	2021/22	2020/21	2019/20
Operating Margin*	20.0%	27.4%	30.2%	37.2%	37.6%
EBITDA Interest Cover	1.9	2.3	2.1	2.3	2.3
EBITDA (MRI) Interest Cover*	1.4	1.9	1.9	2.2	2.0
Cost of funds	3.7%	3.3%	3.3%	3.4%	3.8%
Gearing Ratio*	46.5%	43.4%	42.3%	41.9%	43.5%
Return on Capital Employed*	3.0%	3.0%	3.3%	4.1%	4.3%
Void Rent Loss/Turnover	1.6%	1.3%	1.6%	1.5%	1.2%
Bad Debts/Turnover	0.6%	(0.1%)	0.7%	0.6%	1.1%

*Calculated in accordance with Sector Scorecard/VFM metrics methodology.

Business Health: Ratio Analysis

Operating margin has decreased to 30.9% during 2022-23. After excluding the surplus made on the sale of housing fixed assets and the disposal of investment properties, this reduces to 27.4%. This is still ahead of the benchmark.

Core operating margin on social housing activities remains strong at 32% but this has been impacted by the backlog of service delivery post the pandemic lockdowns, cleared at the year end, and the continuing cost and supply chain challenges. Shared ownership first tranche sales generate a margin of 17.7%. Margins on individual property sales vary depending on geographic location and are expected to be lower than margins on social rented housing lettings.

The interest cover ratio has remained consistent and the average cost of funds, which is calculated on drawn funds, has remained similar when compared with the prior year. Interest cover has benefitted from significantly higher levels of interest receivable in the year as a consequence of interest rates rising rapidly in August and September 2022. This has been offset by higher maintenance as the Group invests in the sustainability of its homes. The Group's strong levels of liquidity have resulted in an absence of funding requirement for the year, helping to keep cost of funds consistent.

The Group has invested in the development of new social housing in the year, developing 962 new properties for rent and sale and has purchased two buyback properties and 150 homes from a 'for profit' provider taking total new units to 1,114.

Return on capital employed (ROCE) of 3.0% has reduced against the prior year figure of 3.3% and now equals the benchmark figure. ROCE is calculated as operating surplus divided by net assets at the end of the year. Properties completed in the year do not generate a full year of income but the full capital cost has been added to assets which also includes properties under development.

Chief Finance Officer's report (cont.)

Effective Asset Management

The following table sets out the level of investment in existing and new stock.

	Benchmark 2021/22	2022/23	2021/22	2020/21	2019/20
Major Works Revenue £m	10.4	12.0	10.4	6.9	11.9
Major Works Capitalised £m	36.4	24.4	15.7	9.6	12.7
Total Investment £m	46.8	36.4	26.1	16.5	24.6
New Homes completed	740	1,114	1,173	911	1,449
New Homes Investment £m	162	246	198	198	208
Reinvestment*	6.0%	9.4%	7.9%	8.0%	9.2%

*Sector Scorecard measure

The investment in existing homes shown above represents larger items of expenditure on replacing key structural components such as kitchens and bathrooms. When added to the routine and planned expenditure of £59.7m a total of £96.1m was spent on maintaining properties (£72.7m in 2021/22). This increase in expenditure is forecast to continue particularly as investment in sustainable components increases.

The Group is committed to investing in both existing stock and in the provision of new homes. This is demonstrated by the reinvestment rate of 9.4% (a Sector Scorecard measure), which is higher than the benchmark sample, as a percentage of total housing properties at cost, shown in Note 11. We have increased this rate from the prior year in addition to continuing labour and material pressures on our maintenance service and the delivery of quality new homes during the year. The Group is regularly reviewing and updating stock condition data and component costs and use these in the planning of future work programmes to inform the long term business and workforce plans. This work assists in the Group's objective of internalising maintenance activity where it can be demonstrated that efficiencies can be made.

The number of new units completed as a percentage of total units which is a Sector Scorecard measure, was 2.0%, which is lower than both the global benchmark of 2.2% and the benchmark group values shown in the VFM metrics table below. It shows a decrease on the previous year of 2.5% and this measure is below the Group's ambition. Our transition to a land led development strategy together with continuing planning, quality, labour and supply chain issues has reduced our ability to deliver new units in this year and will continue to suppress our development ambitions into the 2023/24 financial year. However we will continue to source a programme made up of package deals, S106 and land acquisitioned schemes in a highly competitive period to give the best delivery outcome.

Efficiency: Social Housing Cost per Unit (SHCPU)

These benchmarks are taken from the sector global accounts 2021/22 with a sample comprising associations with more than 30,000 homes, using the average values for comparison.

	Benchmark	Platform				
	2021/22 Benchmark Actual £	2021/22 Actual £	2022/23 Actual £	2023/24 Budget £	2024/25 Plan £	2025/26 Plan £
Total social	4,558	2,855	3,436	4,047	4,379	4,487
Management	1,036	647	651	602	627	619
Service charge	799	497	592	630	650	643
Maintenance	1,324	1,025	1,285	1,367	1,412	1,396
Major repairs	988	573	784	1,313	1,555	1,694
Other social	411	114	124	135	135	135
Specialist units:						
Supported Housing	2.9%	0.7%	0.7%	0.7%	0.7%	0.7%
Housing for Older People	9.3%	6.5%	6.4%	6.3%	6.0%	6.0%
Total Social Units	47,430	45,477	46,418	47,553	48,842	50,158

The Group outperforms the benchmark in each category of spend delivering a total SHCPU of £3,436 for the year. In comparison to the prior year, SHCPU has increased by £581. Last year's long term financial plan forecast a stepped increase in 2022/23 and the following 2 years as maintenance backlogs reduced and our planned sustainable stock investment programme commenced.

The RSH has identified that one of the drivers for lower CPUs across the sector is the percentage of supported and housing for older people stock. Only 7.1% of the Group's total units are of this type which is considerably lower than the benchmark of 12.2% and could be one of the contributors towards the reason why the Group outperforms the benchmark average.

The Group also owns and manages 6,205 shared ownership homes, 13.4% of the total social units, where management costs are less than General Needs rented homes and where maintenance costs are the responsibility of the shared owner. In 2023/24 the Group will start to manage Shared Ownership homes developed under the new Shared Ownership model which allocates responsibility for some repairs to the Registered Provider for the first 10 years. This will impact costs in this area.

The Group continues to review its asset investment assumptions particularly in relation to energy efficiency and carbon neutral targets. Costs for both these investment areas are included in the budget and the long term plan and this is the main reason for the anticipated increase in major repairs costs. These costs will increase over time as the investment projects progress.

Chief Finance Officer's report (cont.)

Value for Money (VFM)

The Group regularly reviews the Value for Money strategy to ensure that it remains fit for purpose and continues to underpin the current Strategic Plan. Platform's goal has not changed this year and it is to ensure that we are investing in our business, customers and communities in a way that delivers maximum positive impact and demonstrable value for money.

A Social Value Strategy was launched in 2021/22 which compliments the VFM Strategy. Under this strategy we recognise that VFM is not solely about cutting costs but about delivering quality services whilst using resources in the most cost-effective manner. We are an invested partner in the Housing Association's Charitable Trust (HACT) that provides our Social Value reporting methodology via the Value Insight model, which is rooted in the UK Social Value Bank. The UK Social Value Bank was developed over 10 years ago and was most recently updated in 2022 during a sector-wide programme (that included Platform as a sponsor). It contains a suite of 88 outcomes, each has a defined financial metric that incorporates a wellbeing value, a health top up value and, where applicable, an Exchequer value (savings to the state). The outcomes have been developed using a consistent methodology, using many years of research and national data surveys. The Bank builds on person centred principles, using data on self-reported wellbeing and life circumstances measuring peoples actual experiences. This means that the values for each outcome are based on how they impact peoples lives as they live them. We evidence the values published using either organisational records that show where EPC/SAP improvements have been carried out relating to relevant areas or via customer survey data using the UK Social Value Bank's before and after survey methodology where we track positive changes in the experiences and wellbeing of affected customers. The social value generated by Platform for the 2022/2023 year was £6.2m. This includes £5.377m created through the Tenancy Support function.

The Group Board recognises its responsibility for meeting the requirements of the RSH's Value for Money standard and in particular, to take a comprehensive approach that achieves continuous improvement in the Group's performance on running costs and the use of our assets. This has been particularly difficult this year due to the cost of living pressures.

Costs and performance continue to be benchmarked against relevant external sources making use of tools provided by Housemark and the Housing Quality Network (HQN) and by referencing data published by the RSH such as the global accounts and cost per unit reports. Benchmarks have been selected to compare data with a sample of similar organisations in terms of size and activity.

As part of our VFM strategy we have continued to build our procurement function and extend the support it offers to the business. Our category council approach provides mentoring and guidance to budget holders and their teams in order to identify and leverage efficiencies. We are moving our Fleet to more sustainable transportation which will deliver a net VFM saving. Our Fleet Manager was awarded The Financial Superstar award at the Great British Fleet Awards 2022.

Targets are set by the Board and Senior Management for improved financial and operational performance through the annual budget and business plan and a standard set of performance indicators. Board members review performance on a quarterly basis and revise the targets on an annual basis or following a significant change in the operating environment.

The social value generated by Platform for the 2022/2023 year was

£6.2m

This includes £5.377m created through the Tenancy Support function.

VFM Metrics

The Regulator has defined seven VFM metrics which enable us to compare against the whole global accounts sample and also against the benchmark group of organisations with more than 30,000 homes. Both samples are taken from the sector global accounts 2021/22 published by the RSH.

		Metric	2021/22 Global UQ	2021/22 Benchmark UQ	2021/22 Actual	2022/23 Actual
1		Reinvestment	8.6%	7.9%	7.9%	9.4%
2	a	New Supply SH	2.2%	2.3%	2.5%	2.0%
	b	New Supply Non SH	0.3%	0.3%	0.0%	0.0%
3		Gearing	52.8%	50.0%	42.3%	43.4%
4		EBITDA MRI	198%	189%	188%	187%
5		Headline Social Housing Cost per Unit	£5,030	£5,022	£2,855	£3,436
6	a	Operating Margin – SH	28.7%	33.3%	35.2%	32.0%
	b	Operating Margin – Overall	25.4%	25.2%	30.2%	27.4%
7		Return on Capital Employed (ROCE)	4.0%	3.9%	3.3%	3.0%

Value for Money Achievements

The Group is firmly committed to the development of affordable homes and is 8th in the 2022 top 50 Housing Builders for the supply of new homes at social rents. The Group is also 5th for the supply of Low Cost Home Ownership. The Group is not currently developing non-social units as the focus is on the supply of social housing. However as we include more land led development projects into our project portfolio we anticipate a small number of non-social units will be delivered.

The Group has a clear idea of the capacity available for its future investment, as demonstrated by our gearing, interest cover and operating margins and has an excellent track record of investing in both new supply and in the improvement of existing assets. Capacity is monitored with regular challenges to, and updates of the long term financial plan to allow for prompt reactions to opportunities and challenges.

As well as showing a commitment to new investment, the Group's efficiency continues to be clearly demonstrated by its strong margins and low unit costs.

VFM highlights for the year are listed below:

- Achieving an operating margin of 27.4% which was boosted to 30.9% by £10.7m surplus on disposals of non-core stock and £0.6m increase in the value of investment properties;
- Achieving a social housing operating margin of 32.0%;
- Maintaining our year end position on current tenant arrears at 2.56%;
- Achieving a net surplus after tax of £48.6 million, achieved through business growth, effective asset management and tight cost control;
- Reinvesting free cash surpluses to deliver 1,114 new homes across a range of types and tenures, representing growth of 2.0%;
- Investing £36.4m in major works to our existing housing stock;
- Launching our rolling 3 year forecasting process to help the business improve short term decision making;

Chief Finance Officer's report (cont.)

- Launching a new investment appraisal system and process. We have reviewed our appraisal methodology for new investments and asset management strategy decisions in order to increase the amount of new housing we provide and improve the quality of our existing housing stock;
- Reducing void losses by 0.3% to 1.3%;
- Achieving social housing cost per unit of £3,436 for the year (Sector Scorecard measure);
- On 1 April 2022, Platform Property Care welcomed Stonewater Housing Association into the cost sharing vehicle;

Future VFM Priorities

Platform's VFM strategy and framework builds on our current culture and supports more data driven and analytical decisions ensuring high quality services and homes for our customers. We have begun the journey of innovative system and process change and our category councils support the business to navigate the supply chain and inflationary cost issues that are continuing in the external environment.

Key VFM projects are supported by a central project management team and will be driven through the following:

- **Core change and Shaping Future Finance programmes**
  We have launched our Core Change and Shaping Future Finance programmes and this is supported by our new EPMO team. These are significant transformation projects for the Group with delivery starting in 2023/24 and will ultimately empower our colleagues to deliver better services and allow our residents to be more involved. Planning is underway for future projects as part of the overall Platform transformation programme;
- **Procurement Strategy**
  Platform's procurement strategy continues to embed our category council approach that will leverage our scale and size to procure products and services. Part of our Shaping Future Finance Project is the delivery of a new Source to Contract Solution, which is designed to support this strategy;
- **HACT Social Value Roadmap**
  We continue to be an invested partner and continue to help develop the valuation methodology;
- **Wellbeing Fund**
  The extension of the Wellbeing Fund into 2023/24 will help our residents navigate the extremely challenging external environment and help them manage their home;
- **Treasury Strategy**
  The detailed treasury strategy continues to protect and enhance our credit quality as reviewed by each rating methodology by understanding the relevant key indicators. We have begun to link new borrowing with ESG principles and we will continue to monitor our existing portfolio and look to replace existing debt that is costly or security hungry;
- **Budget support**
  We continue to enhance the finance team service to better deliver a dedicated business partnering service to the business, this includes additional training and support for the business to better understand budgeting and forecasting techniques;
- **Data and reporting**
  The transformation project will continue to enhance data quality and reporting to support effective decision making and improve responsiveness and customer delivery.
- **Expansion of Platform Property Care**
  PPC have continued to replace external contractors with an in-house service where efficiencies can be made. The current labour market and supply chain challenges have limited the ability to do this in some geographic areas or for particular services.
- **Offices Strategy**
  We continue to dispose of office space as need reduces. We will re-invest savings made into the remaining office space and back into services for customers.
- **Apprenticeship Strategy**
  We are committed to offering opportunities for apprenticeships for both current and potential colleagues across the whole business. There were 67 employees in apprenticeships at the year end, which represented 4.3% of the workforce (based on full time equivalents). Our Property Care team believes that supporting our business with an appropriately skilled workforce is essential to a great customer service and recruiting through an apprenticeship programme helps sustain an effective workforce.

Overall VFM assessment

The information provided in this strategic report demonstrates that Platform Housing Group complies with the Regulator's VFM standard.

We have:

- VFM embedded in our strategic plan;
- Developed a support network for the business that helps with understanding and delivery against our VFM strategy;
- Robust decision making on the use of resources;
- An understanding of the costs and outcomes of delivering our services; and
- Commentary included within the financial statements against elements of the Value for Money Standard

The added value that we achieve is used to improve services, improve our ability to help residents and support the delivery of more sustainable homes for our communities.

Treasury Management

The Treasury Management Policy and Treasury Strategy are reviewed on an on-going basis by the Finance Committee and Board. Treasury activities are also supported by independent professional advice from Centrus Treasury Advisors. The Group maintains a risk-aware approach to its debt portfolio and seeks to ensure that sufficient liquidity is available to meet foreseeable needs, whilst minimising interest on borrowings.

Covenants are calculated at subsidiary level (Platform Housing Limited) and continue to maintain significant headroom. There are two corporate based covenants, interest cover and gearing. In addition, minimum asset cover is required on each individual facility. The Group monitors compliance against the most stringent covenants. The business plan is very resilient to these covenants with a significant degree of headroom forecast throughout the life of the plan.

Year-end corporate covenant performance	Covenant	Actual	Met
1. Interest Cover: To demonstrate by how much net interest costs are covered by operating surplus net of capitalised repairs	1.1	2.36	Yes
2. Gearing: To show the ratio of debt to the value of housing properties	65%	39%	Yes

Our year end interest cover of 2.36 and gearing of 39% in comparison to covenant requirements of 1.1 and 65% demonstrate that the Group has the borrowing capacity to fulfil its ambitious development and sustainability objectives. In addition to covenant headroom, the Group had uncharged housing assets with an estimated value of over £1.3bn at the end of March 2023. The Group's long term financial plan models the utilisation of uncharged assets going forwards to ensure that assets are available to support future debt requirements. The plan shows that the Group maintains sufficient uncharged assets to support its strategic development objectives and at the same time maintains headroom to provide further security to existing borrowing should there be any unforeseen deterioration in the asset values.

Chief Finance Officer's report (cont.)

During the year the Group maintained compliance with its Financial Golden Rules with the exception of the Social Housing Lettings Margin. The Golden Rules ensure that activities are carried out in line with the risk appetite of the Board, whilst at the same time maintaining credit quality. The Board have agreed a temporary reduction in the Social Housing Margin golden rule due to the additional costs in 2022/2023 from maintenance backlogs and the current external economic challenge that continues into 2023/2024. The Financial Golden Rules act as a buffer over and above financial loan covenant thresholds.

The Group has a policy to maintain liquidity that covers at least 18 months of projected cash flows. At March 2023 facilities of £1,815m existed, providing £410m headroom over the year end debt position of £1,405m. When added to unrestricted cash balances of £86m, short term deposits of £25m and an overdraft of £3m, this provided total liquidity of c£525m.

Loan facilities	Facility £m	Drawn £m	Available £m	Fixed £m	Variable £m
Bond finance	961	961	-	961	-
Bank finance	854	444	410	431	423
Total facilities	1,815	1,405	410	1,392	423
Funding mix				77%	23%

The Group's funding strategy remains centred around maintaining liquidity and flexibility whilst increasing transparency to investors and making greater use of sustainability finance. The Group's first Sustainability Report was published in July 2022, which included a summary of activity within its Sustainable Finance Framework, established in August 2021. The Group continues to have access to its £1bn EMTN programme, through which sustainability bonds can be issued (£250m issued to date).

The Group also completed a sustainability-linked transaction during the year, creating a £235m revolving credit facility with Lloyds bank. The initial five year facility, of which £185m was refinanced and £50m new borrowing, has extension optionality and is linked to sustainability targets for energy efficiency and staff development. A margin benefit is applicable if targets are met.

Other notable financing activities include the repayment and cancellation of a £165m facility with Santander UK plc, which was repaid in order to save interest costs and optimise covenants across the wider portfolio.

The Group retained its A+ (stable outlook) rating following S&P's annual review in January 2023 and its A+ rating by Fitch following review in October 2022. The outlook associated with the Fitch rating was amended to negative (from stable), a mechanical change that tracks the rating outlook aligned to the UK Sovereign rating, which was revised to negative following the UK's 'mini-budget' in September 2022.

Refinancing risk is managed through the Group's Treasury Management Policy, which ensures maturities are not concentrated into similar periods for repayment:

Facility

	£m
0-1 years	14
1-2 years	81
2-5 years	357
5-10 years	101
10-20 years	528
20-30 years	309
30+ years	425
Total	**1,815**

Interest rate risk is managed by limiting exposure to floating rate, inflation linked and callable debt facilities.

Sustainability Reporting Standard

This year we're proud to report that we continue to help those most in need by providing social support, improving our impact on environments and maintaining sector leading governance. All of these and more have been delivered through our Corporate Strategy, which places sustainability as one of our core strategic themes.

The table below summarises our performance against the key metrics within the Sustainability Reporting Standard (the Standard) as at 31 March 2023 and a detailed account against all metrics within the Standard can be seen in the full Sustainability Report published on the Platform website. In addition to areas within the Standard, this report also contains a summary of performance against the Group's Sustainable Finance Framework, through which £250m of sustainable bonds have been issued to date.

A full report against all metrics within the Standard can be seen on the Investor Centre section of our website.

Theme	Indicator	Target	2023	2022
Affordability	Average rents/average market rent	≤65%	63%	63%
Affordability	Proportion of affordable tenures – at start of year	≥95%	99%	99%
Affordability	Proportion of affordable tenures – developed in year	≥90%	100%	100%
Security	Proportion of homes with at least 3 year fixed tenancy	100%	100%	100%
Building safety	Proportion of homes with gas safety compliance	100%	99.97%	99.96%
Building safety	Proportion of homes with Fire Risk Assessment	100%	100%	100%
Building quality	Proportion of homes that met the Decent Homes Standard	100%	100%	100%
Resident voice	Customer satisfaction	≥75%	71%	70%
Resident voice	Complaints upheld by the Housing Ombudsman		6	6
Climate change	Scope 1/2 carbon emissions tCo2e per home		0.22	0.20
Climate change	Scope 3 carbon emissions tCo2e per home		3.21	3.25
Climate change	EPC ratings of C and above – start of year	100%	69%	68%
Climate change	EPC ratings of B and above – homes developed in year	100%	100%	100%
Governance	Registration with the Regulator of Social Housing (RSH)	Yes	Yes	Yes
Governance	Registered as a 'for profit' provider	No	No	No
Governance	Most recent viability and governance ratings from the RSH	G1/V1	G1/V1	G1/V1
Governance	Maximum tenure of Group Board member (years)	≤9	3	2
Governance	Proportion of non-executive directors on Group Board	≥90%	90%	90%
Governance	Length of service of external auditors (years)	≤10	3	2
Staff wellbeing	Real Living Wage paid	Yes	Yes	Yes
Staff wellbeing	Gender pay gap	≥-5% ≤5%	-3%	1%
Staff wellbeing	Average number of sick days per employee	≤7	8	9

Chief Finance Officer's report (cont.)

Affordability and Security

The provision and maintenance of quality, affordable and sustainable housing remains at the core of our social purpose. At March 2023, 99% (March 2022: 99%) of the homes we owned were let for a social purpose and all of the homes we developed in the year to March 2023 were built for social rent, affordable rent and low cost home ownership.

We set rents that are below the private rented sector (PRS) to help those who can't afford to rent on the open market. Overall our rents were on average 63% of PRS rents at March 2023 (March 2022: 63%).

Local Authority	County	Homes[1]	Platform[1,2]	Market[3]	Rent as % of market
East Lindsey	Lincolnshire	6,497	90	129	70%
Worcester	Worcestershire	5,216	93	159	59%
Malvern Hills	Worcestershire	4,185	106	167	63%
Wychavon	Worcestershire	3,812	103	172	60%
Derbyshire Dales	Derbyshire	3,297	98	164	60%
Harborough	Leicestershire	2,438	96	162	59%
Birmingham	West Midlands	2,072	104	184	57%
Herefordshire	Herefordshire	1,783	105	154	68%
Leicester	Leicestershire	1,044	79	139	57%
Other	n/a	9,528	111	168	66%
Total		**39,872**	**100**	**159**	**63%**

[1]Homes include social rent, affordable rent, intermediate rent and housing for older people. Shared ownership homes are excluded because rents are not comparable with open market (rent relates to the remaining equity owned). Supported housing is also excluded because it is specialised accommodation and rents are not comparable with a typical home let at market rent. Homes include those where Platform has control over rent setting (homes owned and managed and those managed not owned).

[2]Weekly rent for Platform's homes. On average these homes have just over 2 bedrooms per property.

[3]Source: Rents are taken from ONS private rental market data by local authority that have, on average, the same number of bedrooms as Platform's homes. (**https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland**)

In response to the cost of living crisis we continue to operate our wellbeing fund. During the year the fund helped over 6,000 customers acutely affected by the crisis, providing a total of £2m towards essential items such as food, clothing and heating. On top of that we have established a Cost of Living Working Group to look at ways in which we can better help our customers. One such way relates to an arrangement set up in the year with Local Energy Action Partnerships (LEAP), which provides customers access to specialist energy advice and support. LEAP can advocate on behalf of customers for utility bills, obtain fuel vouchers and seek out additional grants available with energy providers directly.

Platform is committed to offering tenancy agreements that do not have a fixed term. There are a number of legacy agreements that are still on fixed terms, which will be phased out over time. A summary of tenancies is shown below:

	2022	2023
< 3 years	1	1
> 3 years	5,240	4,696
No term	34,313	35,505
Total tenancies	**39,554**	**40,202**

Building Safety

The safety of our customers is our number one objective. As at March 2023 100% of our homes had an in-date Fire Risk Assessment (March 2022: 100%), gas safety compliance was 99.97% (March 2022: 99.96%) and all of our homes met the Decent Homes Standard (March 2022: 100%).

Damp and mould is an area that has always been robustly dealt with at Platform. We have a solid and clear process for dealing with cases of damp and mould, to ensure all cases reported are tracked to resolution. During the year these have been strengthened by re-running our damp and mould training with all colleagues, and enhancing the information available to customers to prevent and treat instances as they arise.

Resident Voice

We continue to work closely with customers through our Customer Experience Panel. The panel is made up of customers and includes Group Board representation. The panel is heavily involved in looking at ways in which we can improve customer satisfaction.

During the year we extended the number of customer satisfaction surveys we circulate, with additional surveys now issued specifically to new customers, those having received void works and those involved in the viewing and sign-up experience. In the year we received c35,000 responses to surveys (2022: c16,000) and had an overall satisfaction of 71% (2022: 70%).

We had 6 complaints that were upheld by the Housing Ombudsman (2022: 6)

Climate Change

Platform will move all existing homes to an Energy Performance Certificate (EPC) rating of C or better by 2030.

A summary of EPCs held at the start of the year is shown below. There were 69% of our homes that had a rating of C and above, which is up from 68% recorded for the previous year.

Rating	Homes with certificate[1]	Percentage	Cumulative percentage
A (92+)	121	0%	0%
B (81-91)	10,235	29%	29%
C (69-80)	14,534	40%	69%
D (55-68)	8,902	25%	94%
E (39-54)	2,106	6%	100%
F (21-38)	119	0%	100%
G (1-20)	11	0%	100%
	36,028	**100%**	**100%**

[1]A further 3,943 homes were without an EPC at March 2022.

Chief Finance Officer's report (cont.)

A further £12m was secured from the Social Housing Decarbonisation Fund (SHDF) Wave 2 in the year which will support the retrofit of 995 homes between 2023 and 2025. These homes include our least energy efficient properties, particularly those with EPC ratings of E, F and G. Retrofit works funded by the SHDF will complement Platform's wider programme, which is focused on improving the fabric of our buildings, specifically external wall, cavity wall and loft insulation, in addition to replacing doors and windows. Fabric improvements will be followed by introducing ground and air source heat pumps, replacing gas and solid fuel systems and installing photo-voltaic panels to our homes. During the year we retrofitted the following:

	2023	2022
ASHP	211	104
PV panels	273	153
EWI	1	-
Other renewables	32	-
	517	**257**

As a result of energy efficiency works during the year the average SAP score at March 2023 for homes that existed at March 2022, had increased to over 73. For those homes retrofitted, energy efficiency improvements have saved customers over 50% of their energy bills.

A total of 962 new homes were developed in the year and a further 150 were added as part of a stock acquisition. All of these homes had an EPC rating of B and above, with an average SAP score of 84 for both the new build (962) and acquired (150) homes:

Rating	New homes	Percentage	Cumulative percentage
A (92+)	17	2%	2%
B (81-91)	1,095	98%	100%
	1,112[1]	**100%**	**100%**

[1]A further 2 homes were added in the year as a result of buying back homes from customers. Of these, one had an EPC of B and the other had an EPC of C.

As part of Platform's commitment to sustainability, all new developments entered into for the year to March 2024 will be gas free (where Platform controls the site).

Governance

During the year the Regulator of Social Housing affirmed the highest ratings of governance and financial viability for Platform (G1 and V1). In addition, A+ ratings were also affirmed by both S&P and Fitch but with a change to a negative outlook (for Fitch).

Staff Wellbeing

Platform continues to be committed to the wellbeing of its colleagues, having put in place a dedicated Wellbeing Team that is responsible for the implementation of its Wellbeing Strategy. The excellent work of the Wellbeing Team was recognised in the year, with the team reaching the finals at the Smarter Working Awards for the Wellbeing Strategy and associated initiatives.

The Group increased all apprenticeship pay to align with Real Living Wage rates in the year. Previously, apprentices were paid in line with the National Minimum Wage which is age related. This has been life-changing for some of our apprentices and will widen the recruitment pool when we are sourcing new talent.

Streamlined Energy Carbon Report (SECR)

The Streamlined Energy and Carbon Reporting (SECR) regulations require organisations within the scope of SECR regulations to report full details on their energy usage, carbon emissions and actions taken to address energy efficiency. Note; energy in the scope of the SECR scheme includes all UK electricity, gas and transport; road, rail, air and shipping (Decreed as Scope 1 and 2 emissions under the Greenhouse Gas Reporting Guidelines (GGRG), 2019).

Methodologies

Natural Gas

Consumption has been predominately quantified using exports provided by a 3rd party energy broker, using automatic metering, manual metering and invoiced data, provided in KWHs. As of 22/23 this relates to 102 separate sites. Additional synthesised data has been applied to both 21/22 & 22/23 due to non-functioning meterage at Platform's Clarence Park site, one of our highest consuming sites. An average annual consumption per room for Platform's top 9 highest consuming sites has been calculated, and applied to the number of rooms in Clarence Park, producing a figure of 571,625 kWh per year. The total KWH figure has been converted into tonnes of Co2e using the Fuel conversion factor from the BEIS 2022 conversion factor release.

Electricity

Consumption has been predominately quantified using exports provided by a 3rd party energy broker, using automatic metering, manual metering and invoiced data, provided in KWHs. As of 22/23 this relates to 1531 separate sites. Additional data has been sourced from internal invoice reports, relating to sites due to be moved onto the energy broker portal. As of 21/22 this related to 258 sites, as of 22/23 this relates to 19 sites, as the majority have been moved onto the portal and are included in the primary data export. The total kWh figure has been converted into tonnes of Co2e using the UK Electricity conversion factor from the BEIS 2022 conversion factor release.

Fleet Vehicles

Consumption figures are measured in litres of fuel and synthesised into a fleet management report by a 3rd party fleet management company. KWHs have been quantified by converting the amount by the Fuel Properties conversion factor from the BEIS 2022 conversion factor release. KWH's have been converted for both Diesel (Assumed Average Biofuel Blend) and Petrol (Assumed Average Biofuel Blend) fuels. Fuel amount has been converted into tonnes of Co2e using the BEIS 2022 Fuel conversion factors, also for Diesel (Assumed Average Biofuel Blend) and Petrol (Assumed Average Biofuel Blend).

Platforms Green Fleet

Looking after 48,000 homes means that we've got a large fleet of vehicles travelling across our geography everyday. Not only does that incur high running costs, but also emits significant Co2 emissions, something Platform has committed to reduce.

This year we have:

- Partnered with company, Lightfoot to implement a new vehicle management system across our Property Care team, that allows us to maximise the efficiency of our vehicles and supports a reduction of Co2 emissions
- Invested in 40 electric vehicles to support the reduction of our Co2 levels. These vehicles are to be deployed later in 2023/24.

By using Lightfoot, since January 2023 we have saved £29,000 through fuel economy and reduced our Co2 emissions by 62 tonnes.

Matt Neale, Ross Brady Clarke from TrustFord, Adam Jones our EV Infrastructure Co-Ordinator and our Fleet Apprentice, Eddie Mills

Chief Finance Officer's report (cont.)

Business Travel

Consumption is based off internal business mileage claims for road travel. Internal vehicle type categories have been matched to vehicle type categories in the Business Travel – Land tab from the BEIS 2022 conversion factor release and their total mileage converted to tonnes Co2e using the Business Travel – Land conversion factors.

Refrigerants (Fugitive Gas)

Average annual consumption data for a 5-year period, starting 19/20, has been calculated based on a 5-year servicing contract with an external supplier. BEIS 2022 conversion factors have been used to convert this average figure into tonnes of Co2e.

Fuel and Energy

BEIS 2022 conversion factors have been used to calculate Well-To-Tank Emissions from Gas, Electricity Generation and Transmission & Distribution, Fleet Vehicles and Business Travel based on the amount of consumption in the associated category. Tonnes of Co2e for Transmission and Distribution losses for Electric Vehicles has also been calculated using the BEIS 2022 T&D for EV Conversion Factor.

Purchased Goods and Services

Emissions are based on a total supply chain spend report, inflation adjusted spend and 2011 DEFRA spend-based conversion factors per SIC Code found in "Table 13 Indirect Emissions from the Supply Chain". Each contractor has been categorised into a relevant SIC Code (using SIC Codes 2007) as found on Table 13. Their spend amount has been adjusted for inflation for the period March 2023 to 2011 using The Bank of England Inflation Calculator. This produces a total CPI inflation rate of 27.5% for March 2023 to 2011, permitting spend adjustment (e.g. £100 spend is adjusted to £72.5). Once contractor spend has been adjusted, their individual tonnes of Co2e has been calculated using each SIC Codes specific spend-based conversion factor.

Homeworkers

Emissions are based on the number of FTE days/hours worked by homeworking Platform staff in 22/23. The total number of FTE days worked by homeworking Platform staff over 22/23 has been reduced by the amount of travel claims homeworking staff have made over 21/22. It has been assumed that each travel claim relates to one complete day outside of their property. This new total working days has been converted into hours by * 7 hours, based on an assumed average working day length. This hourly figure is then converted into tonnes Co2e using the BEIS 2022 Homeworking (Office Equipment + Heating) conversion factor. This conversion factor is derived from the EcoAct 2020 Homeworking Emissions Whitepaper.

Housing Stock

Emissions from stock are quantified by a 3rd party data analytics company. SAP10.2 is used to estimate an annual tonnage of Co2e per property from Platform's stock, taking in to account the building fabric, heating type, renewable technologies, and further metrics. The sum of these tonnages is provided as the total emission from the stock per reporting period. 1353 properties were omitted from the 21/22 property list. To account for this, an average tonnage of Co2e for 21/22 (1.795 tonnes) has been applied to each missing property. This issue is not present in 22/23.

Commuting

Emissions have been derived from an Employee Commuting Survey that ran through 21/22. The survey collected data on the average weekly commute for Platform staff. Data regarding vehicle type and distances travelled were collected. 92 usable results were collected, a proportion of 247 Platform staff that possibly make some commute, the rest of Platform staff being home or mobile workers. Average weekly distance for Car, Bus, Train and Taxi travel were extrapolated to cover the full 247 staff, and further extrapolated to 48 working weeks per year. These total annual vehicle type/distance figures were converted into tonnes of Co2e using BEIS 2022 conversion factors for Business Travel – Land. Mileage figures were converted to kilometres which permitted kilometre conversion factors to be used for Cars & Regular Taxis and passenger.km conversion factors to be used for Average Local Buses & National Trains. The final amount from 21/22 has been applied to both years in place of a 22/23 Survey.

Energy Consumption

Energy Consumption used to calculate emissions (kWh)

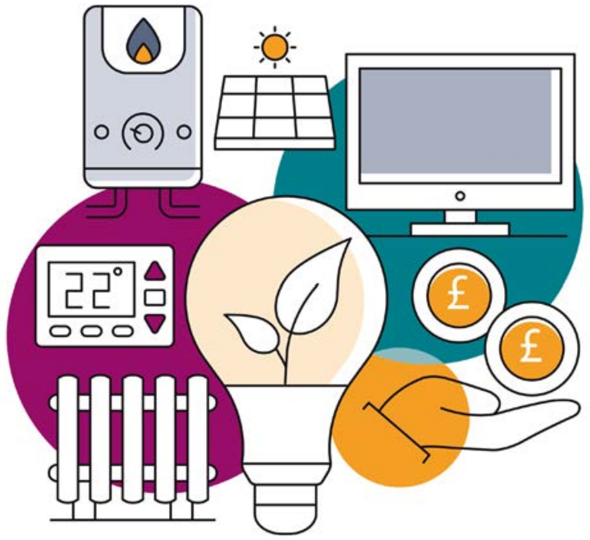
	2022-23	2021-22
Gas	21,013,445	20,507,833
Electricity	8,966,970	7,654,134
Transport Fuel in Fleet Vehicles (Diesel)	10,608,002	9,336,141
Transport Fuel in Fleet Vehicles (Petrol)	94,006	92,673

Carbon Emissions (Scope 1 and 2)

		2022-23	2021-22
Emissions from gas (tCo2e)	Scope 1	3,836	3,743
Emissions from transport fuel for fleet cars (tCo2e)	Scope 1	2,567	2,262
Emissions from business travel in rental cars or business mileage claims (tCo2e)	Scope 1	591	397
Emissions from refrigerants (tCo2e)	Scope 1	62	62
Emissions from electricity (tCo2e)	Scope 2	1,734	1,480
	Total (tCo2e)	**8,790**	**7,944**

Carbon Intensity Ratios

	Homes/ Turnover in the current/(prior) year	2022-23	2021-22
No. of homes managed (social housing, supported, intermediate)	40,140 (39,493)	0.22	0.20
Turnover (£m)	300.0 (296.9)	29.3	26.8



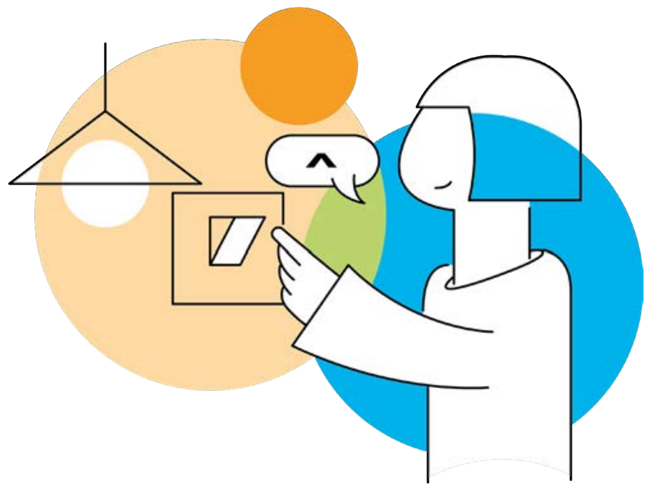
Chief Finance Officer's report (cont.)

Carbon Emissions (Scope 3)

		2022-23	2021-22
Emissions from generation of electricity that is lost in transmission and distribution (tCo2e)	Transmission and distribution losses (Including T&D losses for EV charging)	160	135
Emissions from commuting (tCo2e)	Figures for 21/22 duplicated in place of 22/23 data	152	152
Emissions from leased assets, franchises, and outsourced activities (tCo2e)	Regulated emissions from homes	72,472	71,783
Emissions from fuel and energy related activity (tCo2e)	Well-To-Tank Emissions from Gas, Electricity Generation and Transmission & Distribution, Fleet Vehicles and Business Travel	1,885	1,677
Emissions from Homeworking (tCo2e)	New addition to 2022-23 analytic scope	560	N/A
Emissions from purchased goods and services (tCo2e)		54,342	54,586
	Total (tCo2e) excluding homeworking	**129,011**	**128,333**
	Total (tCo2e) including homeworking	**129,571**	**128,333**

Summary

Carbon Emissions (tCo2e)	Scope 1 & 2	8,790	7,944
Carbon Emissions (tCo2e)	Scope 3 excluding homeworking	129,011	128,333
	Scope 3 including homeworking	129,571	-
Total Carbon Emissions (tCo2e)	**Scope 1, 2 and 3 excluding homeworking**	**137,801**	**136,277**
	Scope 1, 2 and 3 including homeworking	**138,359**	**136,277**



Reducing our Co2 emissions

Scope 1 – Fuel and gas

We have procured 40 electric vans for our fleet as our first step to reducing our transport related carbon emissions. Each electric vehicle will help us save around 4.8 tCo2/year.

Our communal gas heating plants contribute 54% of our Scope 1 emissions and a significant part of this is from our supported housing schemes. We have carried out feasibility studies and designs on some of our least efficient schemes to upgrade the heating systems and identify further energy saving opportunities.

Scope 2 – Electricity from our stock

We have carried out energy audits of some of our key supported housing schemes to identify energy saving opportunities such as low energy lighting and solar photovoltaic panels for 2023-24 and beyond.

Scope 3 – Indirect emissions

By far the largest part of our carbon footprint relates to our Scope 3 emissions and in particular the regulated emissions from our homes.

We are measuring the energy performance of our homes through Energy Performance Certificates (EPCs) and the Standard Assessment Procedure (SAP) that is used for measuring EPCs. We have increased the number of homes that have EPC certificates from 90 % to 95% to improve the overall confidence and reliability of our property and energy data. We have also loaded our property and EPC data onto a specialist energy modelling toolkit called Portfolio to help improve our understanding of the current energy performance of our properties and the steps we need to take to improve them.

Our SAP has improved from 72.2 in March 2022 to 73.1, which is equivalent to an EPC C rating. We remain committed to achieve a minimum EPC C rating for all of our homes by 2030.

Under our planned works programme we have carried out 1,479 boiler replacements, 310 heating upgrades and 104 homes with new windows all of which will help to reduce carbon emissions.

We have developed 962 new homes in the year of which 708 were affordable or social rented homes. These have an average SAP of 84 (EPC rating of B), helping to improve the overall energy performance of our stock.

To support our EPC C by 2030 target we have carried out over 500 retrofit energy improvement measures, including 211 air source heat pumps and 273 solar PV systems. These works have helped improve our homes from an average SAP (Standard Assessment Procedure – government methodology scoring of 1-100 to measure energy performance) of 52 (EPC E) to an average SAP 76 (EPC C), saving around 700 tCo2 – or 2.8tCo2 per home retrofitted. This has also helped our customers save an average of £500/year on their energy bills.

We have commenced a project to retrofit a further 100 homes during 2023-24 and secured £12m of government funding to retrofit a further 995 homes over the two years to 2025.

Events after Year-End

At the Board meeting on the 26 July, Board approval was given for the Group to approach the Local Government Pension Schemes with the aim of making a decision to close the schemes to future accrual in November 2023. This decision was taken following the statutory consultation period with affected colleagues.

Going Concern

During the delivery of the business plan and our stress testing process, the Board have considered the current economic climate, the pressures on residents, rising inflation and interest rate increases. After making all appropriate enquiries the Board has a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason the Board continues to adopt the going concern basis in preparing the Group's financial statements. More information can be found on page 71.

Chief Finance Officer's report (cont.)

Risk Management

Risks that prevent the Group achieving its objectives are considered and reviewed regularly by the Senior Leadership Team, Executive Team, the Boards and Group Audit and Risk Committee as part of the corporate planning process. The risks are assessed in terms of their impact and probability. The key current Corporate risks for the Group are considered below:-

Business Area	Risk	Mitigation Strategies
Economic Uncertainty	Economic conditions adversely impact PHG's strength.	Minimum cash balance of £15m. Regular dialogue with funders and ratings agencies is maintained to establish confidence and support; The business plan identifies the funding required in the medium to long term, which is incorporated in the annual treasury strategy; Treasury Strategy addresses re-financing requirement well ahead of need. Prudent Liquidity Policy to cover as a minimum the next 18 months. Headroom is maintained in the Long-Term Financial Plan ("LTFP") to accommodate adverse changes in the economic and financial markets and is regularly stress tested. LTFP includes shadow assessment of ratings by monitoring rating agency key metrics. Continuous review of the Treasury Strategy/Policy and Specialist Treasury Team. Close monitoring of development and sales performance. Close monitoring of CPI inflation projections and costs monitored vs budgets. Liquidity is monitored each month and reported to the Board; The Group's interest rate risk exposure is reviewed on an on-going basis. The risk is quantified in quarterly treasury reports to the Board, and more frequently if there have been any materially adverse movements in interest rates; Annual review of the Treasury Management Policy reported to Board. Quarterly LTFP updates to the Board, including stress testing The LTFP includes a severely adverse economic stress test, with appropriate mitigation plans should such a scenario materialise; LTFP assumptions supported by our external Treasury Advisors, Centrus. Financial Regulation and approval limits to control and manage spend. Robust Financial Golden Rules Framework to manage risk and is reviewed annually.
Economic Uncertainty	Pressure on long term business plan due to mismatches between rent and service charges compared to costs.	PHG's Business Plan is reviewed and revised on a regular basis. Finance Team are appropriately qualified. Centralised procurement team minimise cost increases to reasonable levels in any given market environment. Access to specific cost inflation indices inform discussions with suppliers. Headroom is maintained in the Long-Term Financial Plan ("LTFP") to accommodate adverse changes to rent levels and costs. Regularly stress tested. Scenario tests run to inform decisions on cost lines that we can control in light of financial position and risks to rent levels and other cost pressures. LTFP includes shadow assessment of ratings by monitoring rating agency key metrics as forecasts for loan covenant metrics. Close monitoring of development and sales performance, CPI inflation projections and costs monitored vs budgets. Regular dialogue with funders and ratings agencies is maintained to establish confidence and support; Regular dialogue with industry bodies and Government to provide visibility of impacts of rent caps/freezes. Regular reporting to Executive Team, Committees and Board; Quarterly LTFP updates to the Board, including stress testing. Regular reporting to Board of loan covenant compliance and forecasts. LTFP assumptions supported by our external Treasury Advisors, Centrus. Financial Regulation and approval limits to control and manage spend. Robust Financial Golden Rules Framework to manage risk and is reviewed annually.

Business Area	Risk	Mitigation Strategies
Legal/ Regulatory/ Reputational	The effects of damp, mould and condensation have a negative impact on our customers.	Damp and Mould tracker established to capture and manage all activity against each DMC case. In house surveyors and repairs team. Stock Condition survey – identification of stock and the archetypes of properties that are likely to suffer from damp and mould. Decent Homes Standard. 'Just make it right' reporting process. Dedicated complaints team. Self-help leaflets/guide for customers – customers are aware of their responsibilities. Disrepair claims process. Wellbeing Fund – helping customers with their energy bills. Void Lettable Standard –includes actions for dealing with damp and black mould. Defects team chase damp/mould cases through the Developer for properties within the defect Liability period (typically 1 year). Training on the identification of damp and mould for front line staff completed. Damp/mould treatment kits issued for all PPC vans. Customer Care manager is monitoring Damp/mould/condensation defects –provides update to Director of Programme. Oversight at SLT and Void inspections. Specialist Housing staff visit customers living in specialist housing on a regular basis. Platform has assessed its performance on damp and mould against the Housing Ombudsman's 2021 Spotlight report.
Core Change	The Core Change Programme does not deliver the expected outcomes and benefits to agreed timescales and costs.	Programme progress is regularly reported to Executive Team via monthly updates. Dedicated Platform One Project Manager has been recruited. Robust procurement processes in place with clear overview from ET. Cross training existing staff members to ensure pool of suitably knowledgeable individuals. Programme Board in place that oversees the project. Staff adoption, change management principles are adopted when deploying new applications. Staff are engaged at initiations to gain ownership of work. Effective communications are utilised to demonstrate the benefits of the change. Implementation reviewed closely by business leads in place to develop the solution with the business. Staff qualified in Project Management. Established programme governance which includes escalation route from Programme Board, through Steering Group, Executive Team and ultimately PHG Board. Programme has mature RAID log to manage and track risks. Appropriate contracts are in place or being embedded with suppliers, where appropriate, to ensure PHG commercial protection.
Business Continuity and Data Loss	Data loss due to a cyber security incident.	Quarterly Social Engineering Testing. Annual Penetration Tests undertaken. Cyber Security Training. Remote Working Audit. Data Loss Prevention Policies. Data handling training and awareness. Data handling procedures. Data protection impact assessments training and procedures. Information Security Policy. Password Security Policy. Multi factor authentication/conditional access policies. Network Security Management (firewalls/patches etc.). Disaster Recovery Policy. Physical Building Security. Data Security Incident Procedure/investigation. Business Continuity Plans. Network Security Management (firewalls/patches). Automatic virus scanning introduced. Automated patch management. New enhanced firewalls with Geo blocking installed. Business Continuity measures improved. ISO 27001 obtained. External audit for ISO 27001 took place in December 2022.
Income	Loss of income due to the inability to let vacant homes.	KPI's in place and Weekly/monthly void number monitoring. Void rent loss budget. Review of stock out of management to control long-term voids and loss of income. Review of Lettable Standard. Upgrading of poorly performing schemes. Work on implementation of a full digital new customer pathway and robust estate management.

Chief Finance Officer's report (cont.)

Business Area	Risk	Mitigation Strategies
Legal/ Regulatory/ Reputational	Non-compliance with Landlord and Health & Safety requirements.	KPI's reported to the Board. Discussions at the Risk and Performance Forum re performance and risks. Reports to Assets and Development Committee and Board. Building Safety Team established. Contracts established with appropriately resourced and qualified contractors. (gas/electrical/fire/lifts/legionella/asbestos) Compliance Policies and procedures in place for fire/lifts/asbestos/legionella/gas/electrical safety. Fire risk assessments –two-year programme in place. Work undertaken by Savills to assess the safety of lower rise development of flats owned by the Group. Contractors works subject to independent assessment/audit. Effective ICT systems that support the processes and monitoring. Intrusive scheme inspections undertaken where needed. Programme in place to review group timber framed construction assets, with internal monitoring and review. Reconciling of database to safety certificates held. Management meetings to review compliance with CDM. Effective stock condition surveys and void inspections. Reviewed by asset management staff.
Supply Chain Issues	Increase in build and subcontractor maintenance costs.	Budget monitoring. Business plan stress testing. Tendering schemes. Good contract negotiation at feasibility stage and management at delivery stage. Prudent selection through procurement process. Feasibility and appraisal process in place. Ongoing monitoring at Development Programme meetings. Monitoring through BCIS figures. Additional costs are factored into appraisals for new schemes. Additional cost review process. Quarterly on-site meetings with contractors who flag as high risk.
Income	Loss of income due to a failure to collect income due in rents and service charges.	Cost of Living Working Group. Post-Covid Rent Management process. Staff training Robust legal processes in place. Income Collection Procedure in place. Write off process within the FTA procedure. Use of technology to mitigate risks(automation/Voicescape). Promotion of direct debit. Rent Support Officers in place – maximise income and minimise debt. Communications and marketing plan has been developed to promote energy and welfare advice. Quarterly review of debts – income teams will continue to review and action the debts in this banding periodically. Money Management tools and offering alternative ways to pay rent. Alternative payment requests made to DWP where appropriate. Publicising help available to aid customers in maximising income through variety of methods. Wellbeing Fund has increased to £2m. Horizon scanning. Audit of all accounts with arrears of a value at Notice and higher-in-line with account escalation guidelines. Use of customer insight data. Use of customer satisfaction data. Use of complaints – action plans and root cause analysis.
Customer Voice	Ineffective management of customer complaints.	All early resolutions are dealt with centrally by the Early Resolution Team. Central administration in the Customer Experience Team of all ERs, Formal Complaints and Final Reviews. Customer Experience Business Partners in place to address root cause of complaints with specific service areas. Different methods of communicating a complaint available and access to complaints service i.e. translation services available/different fonts/formats/advocacy etc. Robust Complaints Policy and Procedure outlining all the stages and targets. Training for staff – induction and ongoing training. KPIs reported e.g. complaints responded to in target. High level outcomes and trends reported to Customer Experience Panel for scrutiny. ET/Board reports/LG including root cause analysis/trends.

Business Area	Risk	Mitigation Strategies
Supply Chain Issues	Insolvency of contractors and Third-Party suppliers.	Due Diligence undertaken on all prospective contractors. EQUIFAX checks. Ensure all have gone through the correct procurement process. Capacity checks/references/Insurances Inspections of works in progress and completed. Budget monitoring – monthly reports/ensure not overspending. Section 20 procurement consultations. Use of framework agreements depending on the type of work. Not dependent on one contractor – work spread across several contractors. Requests for additional financial support assessed on a scheme-by-scheme basis. Annual Report to ET & Board on planned and cyclical programmes.

A dedicated Executive Risk Committee meets monthly and provides a key focus on risk, assurance and corporate compliance which in turn informs the Group Audit and Risk Committee.

Group wide at Senior Leadership Team level there is a second tier Performance and Risk Forum consisting of senior managers which also ensures that key corporate and operational risks are reviewed regularly and monitored. Responsibility for individual risk management is firmly embedded through the roles and responsibilities of the relevant Risk Leads and owners who each take responsibility for the control environment within their functions.

Further assurance of the adequacy of the Group risk register has been provided by Internal Auditors who attend each meeting of the Group Audit & Risk Committee and who provide an annual report on internal audit, including an overall audit opinion for the Group. Each Committee and Board also reviews at the end of each meeting any risk impacts and actions arising from the decisions or recommendations made at the meeting. Group Boards also consider at each meeting key issues, assurance and decisions raised at each Board Committee.

There remains a clear focus on ensuring that we deliver on our growth commitments arising out of our partnership with Homes England, and a sustained focus on ensuring that we collect income through having robust processes in place to let homes and collect rental and service charge income. The Group has a number of KPIs which are monitored closely by Boards and Executive Team.

The long-term financial business plan (LTFP) is subject to a number of stress tests, each of which represents a combination of risks from the risk register, to determine whether they would cause 'significant financial distress' under the Regulator's Governance and Financial Viability Standard. The stresses are chosen to represent a range of extreme variations in the operating environment, and have been reviewed with the Group's Finance Committee and Boards. A 'Perfect Storm' scenario is also analysed which combines a number of individual tests to measure the extent of the Group's resilience to combined scenarios and together with associated robust stress tests are considered fully by Boards on a regular basis to take account of the current challenging economic environment.

A series of mitigating activities has also been tested for their impact against the stress tests, but the most significant variable remains the Group's development programme. Mitigation actions can include changing the mix within the development programme and/or reducing the number of homes to be delivered.

Most recently the Group Boards considered the LTFP and key base plan assumptions in June 2023.

Emerging Risk

The Board has noted and discussed extensively the potential economic consequences of the current political and economic environment and associated inflationary pressures and impact on customers, which in turn has informed the business planning process and Long Term Financial Plan that was considered, by Boards, in June 2023. The Board is also conscious of the potential impacts associated with sector reputational risk as a result of recent issues affecting the housing sector concerning issues such as fire safety and damp, mould and condensation. The Group is working actively to plan for the planned consumer regulatory changes and related tenant satisfaction measures.

Corporate Governance

The Group is governed by a common Board across Platform Housing Group Limited and Platform Housing Limited, which consists from April 2023 of 11 Non-Executive Board Members (including one Board Co-optee), as well as 1 Executive Board Member (the Group Chief Executive).

Platform Property Care Limited, being a Cost Sharing Vehicle (CSV), has Board Members that do not sit on the Platform Housing Group or Platform Housing Limited Boards, including members who represent Rooftop and Stonewater as the CSV partner associations. From April 2022 Stonewater Limited and subsequently Stonewater (2) Limited joined the Platform Property Care Limited CSV.

Board and Committee Terms of Reference are reviewed annually for the Board and its Committees.

There were no Board retirements during the year from the common Board, although one Non-Executive Board Member is due to retire in July 2023.

Board Members are mainly non-executive and are Directors for legal purposes. They are drawn from a wide background, bringing together professional, commercial and local experience, and are remunerated for services performed for the Group. Two new Group Board Members were recruited during the year to address key skill needs to take effect from April 2023 (including a Board Co-optee). These include recruitment of an experienced Non-Executive Board Member with roles across public, private and housing sectors drawing on experience in property, particularly regeneration and sustainable development.

The Board Co-optee appointed has over 20 years' experience in corporate and international development sectors, with a combination of development and sustainability experience across multi sectors. Her most recent role included being the Group Head of Social Sustainability, responsible for Human Rights Strategies, within a large UK retail group.

Insurance policies indemnify Board Members and Officers against liability when acting for the Group. In addition to the Non-Executive Board Members and shareholders, the Group Chief Executive is an Executive non shareholding member of the common Board.

The Executive Directors act as executives within the authority delegated by the Board, and the remuneration of the Executive Directors is reviewed by the People and Governance Committee and Parent Board.

During and at the end of the 2022/23 financial year, none of the Group's Executive Directors had an interest in any material transaction in relation to the Group's business and none have an interest in any presently proposed material transactions.

Regulatory Compliance

The Regulatory Framework includes a requirement that all RPs remain compliant with the Governance and Financial Viability Standard, assess their compliance with the Standard at least once a year and certify compliance in their Financial Statements.

All Boards are fully aware of the principles of co-regulation and of the need to ensure the protection of social housing assets.

An Intra Group Agreement includes detailed information on the respective roles and Terms of Reference of the Group Board, subsidiary Boards and individual roles such as that of the Chairs and Group Chief Executive. Clear lines of authority and delegations are included in the Group's Financial Regulations and Standing Orders which were reviewed in July 2022, as well as the respective Committee Terms of Reference. The Intragroup Agreement was most recently reviewed by People and Governance Committee and approved by Boards in February 2021 and is due for further review in 2023.

A detailed self-assessment against the Standard (and all regulatory standards) was considered by the Platform Board in July 2022 and the Board approved Platform Housing's compliance with all areas of the Standard. Similarly, a self assessment will be considered by Boards in July 2023.The Group's most recent in depth Assessment (IDA) from the Regulator of Social Housing was in February 2021 and maintained its G1/V1 assessment status as a consequence.

The Assets & Liabilities Register is constantly updated and has been fully updated and reviewed as part of the Board Assurance Programme to confirm that the Register continues to meet the requirements of the Governance and Financial Viability Standard.

The Group considers that it has taken reasonable measures to assure itself that it meets the Standard.

Code of Governance

The Regulatory Framework makes it clear that responsibility for meeting the regulatory standards lies with the Board and that the Board is under an obligation to adopt and comply with a recognised Governance Code.

The Platform Boards, including all subsidiary Boards, adopted the revised NHF Code of Governance 2020 in December 2020. The Board meeting in July 2023, considered compliance with the 2020 Code and concluded there were no material areas of non-compliance.

The Board has four standing committees in operation.

The Group Audit & Risk Committee's role is to monitor the Group's arrangements for internal control, risk management and assurance and to oversee the work of internal and external auditors. The Committee meets at least four times a year and is responsible for the review of the annual financial statements for all Group subsidiaries prior to consideration and approval by the Boards.

The People and Governance Committee's responsibilities include informing and reviewing the development and delivery of the Group's People strategy and associated policies, considering the composition of the Group's Boards and Committees, including succession planning, undertaking an annual review of the effectiveness of the Group's Boards and Committees; and making recommendations to the Board on remuneration for Board Members and independent Committee Members.

Corporate Governance (cont.)

The Finance Committee is responsible for key treasury decisions in between Board meetings, as delegated by the Board, as well as to facilitate good treasury management practice, primarily by enabling prompt decision taking on interest rate risk management transactions, as well as to support and advise the Platform Housing Board in relation to certain treasury activities.

The Asset and Development Committee's role is to support and advise the Platform Boards on the growth ambition and development strategy, critically evaluating at a programme level committed and uncommitted development, sales and commercial activity to monitor delivery performance, as well as the asset investment strategy. The Committee also has oversight of Landlord Health and Safety compliance.

Customer Experience Panel

We are committed to customer engagement and scrutiny of our services to ensure that there are even more ways for customers to share their views and feedback with us and get involved in ways that suit them. As a consequence the Group has established a Customer Experience Panel chaired by a resident member, with input and support from Board Members who attend on a rotating basis to hear the customer voice and ensure this is fed back at each Board meeting. During the year there has been an extensive recruitment exercise resulting in the appointment of a number of additional Panel Members to provide a real customer focus to the Panel's work and its engagement with Boards.

Customer feedback is used in policy development and work is underway Group-wide to fully develop the principles of co-creation in terms of how the Group develops and delivers customer-facing services.

Trainee Board

One of the key successes over the last year has been the development of the Trainee Board programme, which currently has four members, and is now nearing conclusion of the second year of the Programme. The intention is that a diverse cohort of potential future sector Board or Committee Members is developed with appropriate learning and development through attendance at Board and Committee meetings and mentoring by existing Board Members. Three of the existing Trainee Board Members are to become Associate Committee Members for a further two year period. Although they will not have the full legal duties of Non-Executive Board Members, this role is intended to help support this diverse group of members to further develop their roles as potential future Committee or Board Members.

Platform are in the process of recruiting a cohort of up to five new Trainee Board Members for a term of up to four years, including potentially as future Associate Committee Members after the initial two year Trainee Board period.

Trainee Board Members

Internal Control Statement

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

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable, but not absolute, assurance that planned business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and is consistent with good practice.

The Group Audit & Risk Committee is responsible for monitoring the risk management and internal control processes and updates the Board on the efficacy of the process.

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

Identification and Evaluation of Key Risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. Both the Executive Risk Committee and second tier Risk and Performance Group regularly consider reports on significant risks facing the Group and the Board and Group Audit and Risk Committee receive regular reports on changes affecting key risks.

Environment and Control Procedures

The Board retains responsibility for a defined range of issues covering strategic, financial and compliance issues including treasury management and new investment projects. There are governance arrangements in place, including policies and procedures, which cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention and detection.

Information and Financial Reporting Systems

Financial reporting procedures include detailed annual budgets, detailed management accounts including forecasts for the year, and detailed treasury reports. These are reviewed in detail by the Executive Team and considered and approved by the Board each quarter. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Business Planning, Budgeting and Reporting

The Platform Housing Group Strategic Plan for the period 2021-26, which was approved by Boards in March 2021, sets out clear targets for the Group, which are currently undergoing a mid-term review involving colleagues prior to further consideration by Boards. This is supported by a 30-year financial plan which is updated at least twice each year and in response to extraordinary events. Economic assumptions are approved by the Boards and are subject to sensitivity testing. The plan is then subjected to comprehensive stress tests that are linked to the Group's risk register. The Boards have also considered mitigation strategies to deal with the materialisation of any stress factors.

Monitoring and Corrective Action

The internal control framework and risk management process is subject to regular review and is supported by internal and external auditors who are responsible for providing independent assurance to the Group Executive Team and Group Audit & Risk Committee and Board Members respectively. There is a formal process for the reporting and correction of significant control weaknesses. The Group Audit & Risk Committee considers internal control, risk and fraud at each of its meetings during the year.

The Group Audit & Risk Committee conducts an annual review and produces an annual report for the Board of the effectiveness of the system of internal control and considers any changes needed to maintain the effectiveness of the risk management and control process. The Board has received this report and confirms that there is a robust and on-going process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Statement of Board's Responsibilities in respect of the Board's Report and the Financial Statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

In preparing 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 UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the group's and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

Disclosure of Information to Auditors

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

External Auditors

A resolution to reappoint KPMG LLP, will be proposed at the annual general meeting.

Public Benefit Entity

As a Public Benefit Entity, The Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

Statement of Compliance

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

The Strategic Report of the Board was approved by the Board on 24 July 2023 and signed on its behalf by:

John Weguelin
Chair

Independent Auditor's Report to the Members of Platform Housing Group Limited

Opinion

We have audited the financial statements of Platform Housing Group Limited ("Group and the Association") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Group and the Association as at 31 March 2022 and of the income and expenditure of the Group and the Association for the year then ended
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management, directors and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading Board, Audit and Risk committee and Finance committee minutes
- Using analytical procedures to identify any unusual or unexpected relationships

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the limited opportunity and incentives for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals relating to cash posted to an unusual corresponding accounts and material journals posted after the ledger close

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

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

Independent Auditor's Report to the Members of Platform Housing Group Limited (cont.)

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing 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, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Association's Board is responsible for the other information, which comprises the Chair's Report, Report of the Chief Executive, Strategic Report, the Chief Finance Officer's Report, the Corporate Governance Statement and the Internal Control Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 60, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the [Group or the] Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Rees Batley

Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Statement of Comprehensive Income for the year ended 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Parent 2023 £000	Parent 2022 £000
Turnover	2&3	**299,987**	296,924	**11**	11
Operating Expenditure	2&3	**(191,101)**	(167,926)	**(7)**	(7)
Cost of Sales	2&3	**(27,379)**	(39,230)	**-**	-
Gain on disposal of property, plant and equipment	5	**10,749**	9,298	**-**	-
Increase in valuation of investment properties	13	**580**	150	**-**	-
Operating Surplus		**92,836**	99,216	**4**	4
Interest receivable	6	**3,974**	382	**-**	31
Interest payable and financing costs	6	**(48,231)**	(56,676)	**-**	(31)
Surplus before tax		**48,579**	42,922	**4**	4
Taxation	8	**-**	-	**-**	-
Surplus for the year after tax		**48,579**	42,922	**4**	4
Actuarial gain/(loss) in respect of pension schemes	22	**36,424**	16,682	**-**	-
Total comprehensive income for the year		**85,003**	59,604	**4**	4

The Group's results all relate to continuing activities.

The financial statements on pages 66 to 116 were approved and authorised for issue by the Board of Management on 24 July 2023 and were signed on its behalf by:

John Weguelin
Chair of the Board of Management

Sebastian Bull
Chair of the Audit and Risk Committee

Andrew Bush
Secretary

The notes of pages 70 to 116 form an integral part of these accounts.

Statement of Financial Position at 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Parent 2023 £000	Parent 2022 £000
Fixed assets					
Housing properties	11	**2,936,771**	2,744,997	**92**	93
Other tangible fixed assets	12	**12,998**	8,176	**-**	-
Intangible fixed assets	12a	**7,734**	5,066	**-**	-
Investment properties	13	**17,225**	16,645	**-**	-
Homebuy loans receivable	14	**7,434**	7,750	**-**	-
Fixed asset investments	15	**20,364**	17,327	**-**	-
Investment in subsidiaries			-	**50**	50
		3,002,526	2,799,961	**142**	143
Current assets					
Stocks: Housing properties for sale	16	**32,611**	24,983	**-**	-
Stocks: Other	16	**592**	1,722	**-**	-
Trade and other Debtors	17	**19,486**	16,675	**16**	11
Cash and cash equivalents		**118,056**	277,946	**-**	-
		170,745	321,326	**16**	11
Less: Creditors: amounts falling due within one year	18	**(140,837)**	(102,268)	**(50)**	(50)
Net current assets/(liabilities)		**29,908**	219,058	**(34)**	(39)
Total assets less current liabilities		**3,032,434**	3,019,019	**108**	104
Creditors: amounts falling due after more than one year	19	**(1,913,710)**	(1,947,932)	**-**	-
Provisions for liabilities					
Pension provision	22	**(12,394)**	(49,955)	**-**	-
Total net assets		**1,106,330**	1,021,132	**108**	104
Reserves					
Non-equity share capital	23		-	**-**	-
Income and expenditure reserve		**890,025**	804,486	**55**	51
Revaluation reserve		**216,305**	216,646	**53**	53
Total reserves		**1,106.330**	1,021,132	**108**	104

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John Weguelin
Chair of the Board of Management

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Andrew Bush
Secretary

The notes of pages 70 to 116 form an integral part of these accounts.

Consolidated Statement of Changes in Reserves

	Income and Expenditure Reserve	Property Revaluation Reserve	Investment Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2021	744,693	216,972	210	961,875
Surplus for the year	42,922	-	-	42,922
Actuarial loss on pension scheme	16,682	-	-	16,682
Valuation in the year	-	-	(347)	(347)
Transfer between reserves	189	(189)	-	-
Balance at 31 March 2022	**804,486**	**216,783**	**(137)**	**1,021,132**
Surplus for the year	48,579	-	-	48,579
Actuarial gain on pension scheme	36,424	-	-	36,424
Valuation in the year	-		195	195
Transfer between reserves	536	(536)	-	-
Balance at 31 March 2023	**890,025**	**216,247**	**58**	**1,106,330**

The notes on pages 70 to 116 form an integral part of these accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2023

	2023	2022
	£000	£000
Net cash generated from operating activities (see note i below)	**132,875**	165,869
Cash flow from investing activities		
Purchase of tangible fixed assets	**(250,239)**	(221,549)
Proceeds from sales of tangible fixed assets	**22,186**	28.360
Grants received	**31,366**	18,176
Interest received	**3,096**	180
Homebuy and Festival Property Purchase loans repaid	**316**	470
Investments	**(3,064)**	-
Cash flow from financing activities		
Interest paid	**(50,214)**	(56,963)
New secured loans	**-**	296,196
Repayment of borrowings	**(46,212)**	(141,396)
Net change in cash and cash equivalents	**(159,890)**	89,343
Cash and cash equivalents at the beginning of the year	**277,946**	188,603
Cash and cash equivalents at the end of the year	**118,056**	277,946
Note i		
Surplus for the year	**48,579**	42,922
Adjustments for non-cash items		
Depreciation of tangible fixed assets	**41,785**	43,443
Amortisation of grants	**(5,082)**	(5,037)
Movement in properties and other assets in the course of sale	**(6,070)**	12,142
(Increase)/decrease in stock	**(428)**	(18)
Increase/Decrease in trade and other debtors	**(3,462)**	1,503
Increase/Decrease in trade and other creditors	**26,856**	26,154
Movement in investments	**27**	(1,186)
(Decrease)/increase in provisions	**-**	(554)
Adjustments for investing or financing activities		
Proceeds from sale of tangible fixed assets	**(11,340)**	(9,298)
Interest payable	**46,888**	56,676
Interest receivable	**(3,957)**	(382)
Movement in fair value of financial instruments	**(341)**	(346)
Increase in valuation of investment property	**(580)**	(150)
Net cash generated from operating activities	**132,875**	165,869

The notes on pages 70 to 116 form an integral part of these accounts

Notes to the Financial Statements 2023

Legal Status

Platform Housing Group (the parent company) 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 1700 Solihull Parkway, Birmingham Business Park, Solihull, B37 7YD.

Platform Housing Group (the group, referred to as 'the Group') comprises the following entities:

Platform Housing Group
Incorporation
Co-operative and Community Benefit Societies Act 2014
Registration
Registered

Platform Housing Limited
Incorporation
Co-operative and Community Benefit Societies Act 2014
Registration
Registered

Platform Property Care Limited
Incorporation
Companies Act 2006
Registration
Non-registered

Platform New Homes Limited
Incorporation
Companies Act 2006
Registration
Non-registered

Platform HG Financing PLC
Incorporation
Companies Act 2006
Registration
Non-registered

Waterloo Homes Limited (Dormant)
Incorporation
Companies Act 2006
Registration
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), the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 Update and Financial Reporting Standard 102 ('FRS 102'). Platform Housing Group is a Public Benefit Entity under the requirements of FRS 102. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

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 2019. Following the implementation of FRS 102, housing properties are stated at deemed cost at the date of transition and additions are recorded at cost. Investment properties are recorded at valuation. The accounts are presented in sterling and are rounded to the nearest £1,000.

As a Public Benefit Entity, The Group has applied the 'PBE' prefixed paragraphs of FRS102.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, no cash flow statement has been presented for the parent company, taking advantage of the disclosure exemptions available in FRS 102.

Basis of consolidation

The consolidated financial statements incorporate the results of Platform Housing Group and all of its subsidiary undertakings as at 31 March 2023. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

The financial statements do not consolidate the results of Central Housing Investment Consortium, as the Group has no direct rights to assets or surpluses of these companies and limited liability as regards debts or losses. Details of the arrangements can be found in note 27 to the Financial Statements.

Going concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Board has prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group and Association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board prepares a 30 year long term financial plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2023 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Board has undertaken a series of further scenario testing including severe but plausible downsides in the worst-case assessment.

Notes to the Financial Statements 2023 (cont.)

The Board, after reviewing the Group and Association budgets for 2023/24 and the Group's medium term financial position as detailed in the cash flow forecasts and 30-year long term financial plan, including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the going concern period. In reaching this conclusion, the Board has considered the following factors:

- The property market – budget and long term financial plan scenarios have taken account of delays in handovers and significant reductions in sales values;
- Maintenance costs – budget and long term financial plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and long term financial plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities across the group of £525m which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period;
- The Group's ability to withstand other adverse scenarios such as higher interest rates, increases in the number of void properties and significant reductions in Social Housing Grant.

The Board believes the Group and Association have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. **Categorisation of housing properties.** The 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. Following the implementation of FRS 102 and the merger with Waterloo Housing Group, housing properties have been stated at a 'deemed cost' at the date of transition based on the 2014 valuation or the date of the merger based on historic cost and additions are recorded at cost. Investment properties were subject to an external revaluation at the end of the period. Investment properties are stated at a value based on vacant possession which is annually determined by external valuers derived from the current market conditions.

b. **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 22.

   The Group also participates in a defined contribution pension scheme, in respect of which the charge to the Statement of Comprehensive Income represents the total employer liability for service received from the relevant employees in the year.

c. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described on page 78. Initial capitalisation of costs is based on management's judgement that a 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.

d. **Impairment.** The Group has identified a 'cash generating unit' (CGU) for impairment assessment purposes at scheme level. Following a trigger for impairment, the Group perform 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 CGU's 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 costs is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property. The cash flows are derived from the business plan for the next 30 years 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 CGU being tested. The recoverable amount is most sensitive to the discount rated used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

   The Group has estimated the recoverable amount of its housing properties as follows:

   a. Determined that the recoverable amount will be assessed at the CGU;

   b. Estimated the recoverable amount of the CGU;

   c. Calculated the carrying amount of the CGU; and

   d. Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Triggers for impairment include material changes to Government policy or the regulatory regime deem to cause material detrimental impact to the recoverable amount of housing properties, significant negative movement to the Nationwide Housing Property Index and long term sustained falls in GDP. Other factors such as obsolescence, change in demand or contamination may also trigger impairment.

Following an assessment of impairment which contained a full review of assets, for both housing properties and freehold offices, no impairment losses were identified.

e. **Financial Instruments.** The Group has adopted the recognition and measurement requirements of IAS 39 plus the disclosure requirements of FRS 102 sections 11 and 12 for all of its financial instruments.

Notes to the Financial Statements 2023 (cont.)

Other key sources of estimation and assumptions

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

b. **Revaluation of investment properties.** The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine the value which was based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13.

c. **Impairment of non-financial assets.** A review for impairment indicators of housing properties is carried out annually and any impairment loss is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use.

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

e. **Impairment of Stock and Work in Progress.** Stock and work in progress is reviewed for impairment at the reporting date. Any impairment loss identified is recognised as a charge to the Statement of Comprehensive Income. Stock is held at the lower of cost and net realisable value with net realisable value being calculated on the basis of market value less cost to complete. An impairment loss arises when the carrying amount exceeds its net realisable value.

f. **Provision for Bad Debts.** A provision is made for rent, service charges and other income based on the age and type of the debt.

Current Tenants	Provision
Average age of arrears	
Less than 30 days	0%
30 to 60 days	10%
60 to 90 days	25%
90 to 120 days	50%
120 to 150 days	75%
150 to 180 days	85%
Greater than 180 days	100%
Former Tenants	100%
Other Income	
Less than 30 days	0%
30 to 60 days	25%
60 to 90 days	75%
Greater than 90 days	100%

Merger accounting

Where merger accounting is used, the investment is recorded in the Groups Statement of Financial Position at the nominal value of the shares issued together with the fair value of any additional consideration paid. In the Groups financial statements, merged subsidiary undertakings are treated as if they had already been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous Statement of Financial Position date and the shares issued by the Group as consideration as if they had always been in issue.

Acquisition accounting

Where acquisition accounting is used, the group statement of comprehensive income and statement of cashflows include the results and cashflows of the investment from the acquisition date. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from government, local authorities and Homes England, income from shared ownership first tranche sales 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.

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. Where variable service charges are used the income will include the surplus or deficit from prior years. 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 sinking fund or reserve fund may be built up over the years; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Apportionment of overheads to group members

Central overheads are recharged at cost from Platform Housing Limited to Platform Property Care Limited using the apportionment methods detailed below:

Cost Category	Apportionment Method
Corporate Services	Time allocation
Finance and ICT	Time allocation
Human Resources	Employee headcount
Training	Historical spend
Office running costs	Floor area

Retirement benefits

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

Notes to the Financial Statements 2023 (cont.)

Leased Assets

Where assets are financed by 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 the Statement of Comprehensive Income 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.

Property Sales

Under shared ownership arrangements, the group disposes of a long lease of shared ownership housing units to persons who occupy them, at a lease premium equal to between 25% and 75% of open market value. The occupier has the right to purchase further proportions at the then current valuation up to 100%. Subsequent tranches sold (‘staircasing sales’) are reflected in the Statement of Comprehensive Income as a surplus or deficit on sale of fixed assets.

Under right to buy arrangements the Group disposes of properties outright to qualifying tenants and the resulting surplus is reflected in the Statement of Comprehensive Income.

There are clawback agreements with City of Worcester, Derbyshire Dales District Council, Malvern Hills District Council, Market Harborough District Council and Wychavon District Council, whereby the surplus or deficit is calculated by comparing the net proceeds received by the Group with the book value of the property sold.

Financing costs

Finance interest, transaction costs and associated premium or discount are charged to the Statement of Comprehensive Income using either the effective interest rate (EIR) method or on a straight line basis where not materially different. The EIR method spreads all associated costs over the life of the instrument by comparing the borrowing amount at initial recognition and amount at maturity.

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.

Financial assets

Financial assets are defined as cash or any asset that is a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The group categorises its financial assets as:

- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables are assets with fixed or determinable payments that are not quoted on an active market. These are initially recognised at fair value plus transaction costs and subsequently at amortised cost. Examples of loans and receivables include tenant arrears, unlisted investments, sundry debtors and cash at bank and in hand.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs, which is effectively historical cost. At each Statement of Financial Position date they are re-measured at fair value and movements are recorded in equity reserves and in the Statement of Comprehensive Income when the reserves are fully utilised. Listed investments are considered to be available-for-sale assets.

Financial liabilities

Financial liabilities are defined as any liability that is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. The financial liabilities of the Group are classed as:

- Financial liabilities at fair value through profit and loss; and
- Other financial liabilities.

Other financial liabilities are all financial liabilities that have value to the supplying party, for instance debt finance, trade creditors, other creditors and accruals. They are valued at fair value at inception and then amortised cost subsequently.

Categorisation of debt

The Group’s debt has been treated as ‘basic’ in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has some fixed rate loans which have a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan’s fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan’s fixed rate).

The Financial Reporting Council (FRC) issued a statement on 2 June 2016 in respect of such loans with no prescriptive direction as to whether they should be classified as ‘basic’ or ‘non basic’. On the grounds that the Association believes the recognition of each debt liability at cost provides a more transparent and understandable position of the Association’s financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Association has retained its ‘basic’ treatment of its debt following the FRC announcement.

Taxation

a. **Value Added Tax (VAT).** The Group is registered for VAT and charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.
b. **Deferred Taxation.** Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:
    - deferred tax is not recognised on timing differences arising on revalued properties unless the Group and Company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
    - the recognition of deferred tax assets is limited to the extent that the Group and company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not disclosed.

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.

Notes to the Financial Statements 2023 (cont.)

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred. Expenditure incurred on responsive and cyclical repairs to the housing stock is expensed to the Statement of Comprehensive Income in the year in which it is incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories. UELs for identified components are as follows:

Component	Useful Economic Life
Housing structure	100 years
Roofs	70 years
External Wall Insulation	40 years
Bathrooms	30 years
Windows	30 years
Doors	30 years
Heating Distribution	30 years
Electrics	30 years
Kitchens	20 years
Lifts	25 years
Photo-voltaic panels	20 years
Heating source	20 years
Fascia and Cladding	25 to 40 years

The Group depreciates housing properties held on long 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.

Shared ownership properties

All completed properties are split proportionally between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sale and matched against sales proceeds to generate the surplus on disposal within the Statement of Comprehensive Income. The remaining element of the asset is classified as a fixed asset and included within housing properties and subsequent sales treated as sales of fixed assets 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 its intended use.

Property managed by agents

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

Where the agency carries the majority of the financial risk, the Statement of Comprehensive Income includes only that income and expenditure that relates solely to the Group.

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

Other tangible fixed assets

Depreciation is charged on a straight line basis, to write them down to their estimated residual values over their expected useful life. No depreciation is provided on freehold land. Component accounting has been adopted for freehold office premises on exactly the same basis as that used for housing properties as set out above. The principal annual rates used for other assets are:

Other tangible fixed asset	Useful economic life
Office premises	100 years
Office premises components	Between 15 and 50 years
Furniture, fixtures and fittings	Between 4 and 10 years
Computer equipment	3 to 4 years
Mobile office	7 years
Motor vehicles	Between 3 and 7 years
Plant and machinery	Between 4 and 30 years

Other tangible fixed assets under construction are stated at cost and are not depreciated.

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation which is charged on a straight line basis over the asset's useful economic life as shown below:

Other intangible fixed asset	Useful economic life
Enterprise Resource Planning System (ERP)	10 years
Computer software	5 years

Investment property

Investment property includes market rented and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Homebuy

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant from Homes England is recognised as deferred income until the loan is redeemed.

Notes to the Financial Statements 2023 (cont.)

The Group operated this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of Social Housing Grant (SHG). On redemption:

- The SHG is recycled;
- The SHG is written off, if a loss occurs; and
- The Group keeps any surplus.

Festival Property Purchase (FPP)

Following the loss of Zone Agent Status the Group introduced its own equivalent Homebuy product, **Festival Property Purchase**. These transactions were generally not grant aided but provided opportunities to purchasers on a similar basis to the previous Homebuy product. In certain circumstances the loans were funded by local authority grant and where this is the case, these grants are recognised as deferred income until the loan is redeemed. The scheme was closed in 2009/2010.

The Group provided loans of 25% of the purchase price of a property, to qualifying individuals, and the loans are included in Homebuy Loans Receivable. No monthly repayments are made on the loan, however it is only available for a maximum of ten years or until the property is sold, whichever is the sooner. The Group is currently proposing to extend the scheme period for a further ten years.

These loans are secured by second charges on the properties and therefore, falls in the value could directly affect the recoverability of these loans. Because of this exposure, the loan balance is reviewed against property values annually and where required, a provision for losses is made in the Statement of Comprehensive Income.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value. Any investments listed on a recognised stock exchange are stated at market value.

Stocks 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 and intended for outright sale are included in current assets, 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 the Statement of Comprehensive Income.

Stock swaps

Where an agreement is entered into with another PRP to swap housing stock, the outgoing stock is treated as a disposal with a gain or loss recorded the Statement of Comprehensive Income. The incoming stock is measured at fair value.

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.

Short-term debtors and creditors

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

Social Housing Grant (SHG) and other government grants

Where developments have been financed wholly or partly by Social Housing Grant (SHG) 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. Grants received prior to FRS 102 transition date have been recognised in the Income and Expenditure Reserve.

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

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

Grants for revenue expenditure are credited to the Statement of Comprehensive Income as they become receivable.

Recycling of Capital Grant Fund (RCGF)

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.

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.

Haven bond premium and Affordable Housing Finance (AHF) bond premium

The premiums on the issue of the Haven Bond and AHF Bond are included in creditors and are being written off over the period of the loans.

Provisions

The Group will make a provision for contractual liabilities and where there is a reasonable probability for a potential loss.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken. In addition, the reserve contains any increase in the fair value of listed investments.

Notes to the Financial Statements 2023 (cont.)

2. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus

Group	2023 Turnover £000	Cost of Sales £000	Operating Expenditure £000	Operating Surplus/ (Deficit) £000
Social housing lettings (see note 3)	**248,181**	**-**	**(168,608)**	**79,573**
Other social housing activities				
Development services	-	-	(4,339)	(4,339)
Management services	125	-	(658)	(533)
Support services	357	-	(550)	(193)
Sale of Shared Ownership first tranche	33,312	(27,379)	-	5,933
Other	1,135	-	(198)	937
	34,929	**(27,379)**	**(5,745)**	**1,805**
Activities other than social housing				
Developments for sale	-	-	-	-
Student accommodation	9	-	(2)	7
Market rents	1,172	-	(1,096)	76
Other	15,696	-	(15,650)	46
	16,877	**-**	**(16,748)**	**129**
Total	**299,987**	**(27,379)**	**(191,101)**	**81,507**

2. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus (cont.)

Group	2022 Turnover £000	Cost of Sales £000	Operating Expenditure £000	Operating Surplus/ (Deficit) £000
Social housing lettings (see note 3)	**234,597**	**-**	**(152,000)**	**82,597**
Other social housing activities				
Development services	(3)	-	(3,822)	(3,825)
Management services	206	-	(654)	(448)
Support services	342	-	(505)	(163)
Sale of Shared Ownership first tranche	48,844	(39,173)	-	9,671
Other	1,230	-	(188)	1,042
	50,619	**(39,173)**	**(5,169)**	**6,277**
Activities other than social housing				
Developments for sale	42	(57)	-	(15)
Student accommodation	9	-	(15)	(6)
Market rents	1,377	-	(1,025)	352
Other	10,280	-	(9,717)	563
	11,708	**(57)**	**(10,757)**	**894**
Total	**296,924**	**(39,230)**	**(167,926)**	**89,768**

Notes to the Financial Statements 2023 (cont.)

3. Turnover and Operating Expenditure for Social Housing Lettings

Group	2023					
	General Needs Housing	Affordable Rent	Supported Housing & Housing for older people	Low Cost Home Ownership	Intermediate Rent	Total
	£000	£000	£000	£000	£000	£000
Income						
Rent receivable net of identifiable service charges	142,576	45,239	14,302	20,372	2,847	225,336
Service charge income	6,048	1,572	6,371	3,036	3	17,030
Other grants	432	137	-	-	-	569
Amortised government grants	2,637	1,468	115	831	30	5,081
Other income	26	85	-	54	-	165
Turnover from social housing lettings	**151,719**	**48,501**	**20,788**	**24,293**	**2,880**	**248,181**
Management	(17,581)	(5,589)	(3,653)	(3,051)	(322)	(30,196)
Service charge costs	(11,485)	(2,720)	(9,533)	(3,391)	(344)	(27,473)
Routine maintenance	(38,657)	(8,185)	(4,727)	(173)	(436)	(52,178)
Planned maintenance	(5,574)	(1,357)	(462)	(41)	(59)	(7,493)
Major repairs expenditure	(7,323)	(1,306)	(2,823)	(450)	(107)	(12,009)
Bad debts	451	(59)	(27)	(98)	(43)	224
Depreciation of housing properties	(23,367)	(9,932)	(2,410)	(3,417)	(357)	(39,483)
Operating expenditure on social housing lettings	**(103,536)**	**(29,148)**	**(23,635)**	**(10,621)**	**(1,668)**	**(168,608)**
Operating surplus on social housing lettings	**48,183**	**19,353**	**(2,847)**	**13,672**	**1,212**	**79,573**
Void losses	(1,556)	(705)	(514)	(225)	(118)	(3,118)

3. Turnover and Operating Expenditure for Social Housing Lettings (cont.)

Group	2022					
	General Needs Housing	Affordable Rent	Supported Housing & Housing for older people	Shared Ownership	Intermediate Rent	Total
	£000	£000	£000	£000	£000	£000
Income						
Rent receivable net of identifiable service charges	136,041	41,155	13,724	18,039	2,566	211,525
Service charge income	5,647	1,220	5,816	2,892	-	15,575
Other grants	25	79	-	23	-	127
Amortised government grants	2,622	1,445	115	824	31	5,037
Other income	2,281	52	-	-	-	2,333
Turnover from social housing lettings	**146,616**	**43,951**	**19,655**	**21,778**	**2,597**	**234,597**
Operating expenditure						
Management	(17,865)	(4,816)	(3,415)	(3,043)	(282)	(29,421)
Service charge costs	(8,522)	(2,306)	(8,407)	(3,044)	(326)	(22,605)
Routine maintenance	(30,430)	(6,387)	(3,844)	(222)	(369)	(41,252)
Planned maintenance	(3,996)	(900)	(398)	(15)	(44)	(5,353)
Major repairs expenditure	(7,762)	(824)	(1,800)	24	(31)	(10,393)
Bad debts	(965)	(315)	(282)	(58)	(59)	(1,679)
Depreciation of housing properties	(25,718)	(9,361)	(2,737)	(3,134)	(347)	(41,297)
Operating expenditure on social housing lettings	**(95,258)**	**(24,909)**	**(20,883)**	**(9,492)**	**(1,458)**	**(152,000)**
Operating surplus on social housing lettings	**51,358**	**19,042**	**(1,228)**	**12,286**	**1,139**	**82,597**
Void losses	(1,784)	(644)	(524)	(616)	(142)	(3,710)

Notes to the Financial Statements 2023 (cont.)

4. Units

Social housing properties in management at end of year

	2023					2022	
	Owned and managed	Managed not owned	Total managed	Owned not managed	Total Owned	Total Managed	Total Owned
	Number	Number	Number	Number	Number	Number	Number
General Needs	28,576	11	28,587	8	28,584	28,416	28,416
Affordable rent	7,843	-	7,843	-	7,843	7,363	7,359
Supported	268	-	268	65	333	270	335
Housing for older people	2,976	-	2,976	-	2,976	2,975	2,975
Intermediate rent	466	-	466	-	466	469	469
Total	40,129	11	40,140	73	40,202	39,493	39,554
*Shared Ownership <100%	6,199	6	6,205	-	6,199	5,911	5,905
Social Leased @100% sold	1,145	-	1,145	-	1,145	1,128	1,128
Total social	47,473	17	47,490	73	47,546	46,532	46,587
Non-social housing							
Non-social rented	111	-	111	-	111	111	111
Non-social leased	396	-	396	29	425	392	421
Total stock	47,980	17	47,997	102	48,082	47,035	47,119

*The equity proportion of a shared ownership property is counted as one unit.

Analysis of movements of units owned in the year

	2022	Additions	Conversions	Re-classification	Disposal	Demolished	2023
General Needs	28,416	223	1	-	(56)	-	28,584
Affordable rent	7,359	486	-	(1)	(1)	-	7,843
Supported	335	-	(2)	-	-	-	333
Housing for older people	2,975	-	-	1	-	-	2,976
Intermediate rent	469	-	-	(1)	(2)	-	466
*Shared ownership	5,905	405	-	1	(112)	-	6,199
Social leased	1,128	-	-	-	17	-	1,145
Non-social rented	111	-	-	-	-	-	111
Non-social leased	421	-	-	-	4	-	425
Total	47,119	1,114	(1)	0	(150)	-	48,082

*Shared ownership sales represent units that were fully staircased.

Units under development/refurbishment at end of year

	2023 Number	2022 Number
Social housing rented units	1,678	1,511
Shared ownership	1,029	682
Rent to Buy	64	-
Commercial Units	11	-
	2,782	2,193

5. Gain on disposal of property, plant and equipment

	Shared Ownership staircasing sales	Others	2023	2022
	£000	£000	£000	£000
Disposal proceeds	14,212	7,936	22,148	26,908
Cost of sales	(7,683)	(3,125)	(10,808)	(16,891)
Surplus	6,529	4,811	11,340	10,017
Grant recycled	(454)	(137)	(591)	(719)
Surplus for the year	6,075	4,674	10,749	9,298

Notes to the Financial Statements 2023 (cont.)

6. Net Interest

Interest receivable and similar income

	2023 £000	2022 £000
On financial assets measured at amortised cost:		
Interest receivable	(3,974)	382
	(3,974)	382

Interest payable and financing costs

	2023 £000	2022 £000
On financial liabilities measured at amortised cost:		
Loans repayable	47,280	45,846
Loan breakage costs	(1,772)	8,716
Costs associated with financing	5,508	4,038
	51,016	58,600
On defined benefit pension scheme:		
Expected return on plan assets	(5,509)	(4,017)
Interest on scheme liabilities	6,835	5,366
	1,326	1,349
On financial liabilities measured at fair value:		
Interest capitalised on housing properties	(4,111)	(3,273)
	48,231	56,676

Interest has been capitalised at the rate of 3.33% (2022: 3.53%)

7. Surplus on ordinary activities

	2023 £000	2022 £000
The operating surplus for the year is stated after charging:		
Depreciation:		
Housing properties	38,576	40,396
Amortisation of grant	(5,081)	(5,037)
Other fixed assets	3,209	3,107
Impairment of office premises	-	-
Auditors remuneration:		
In their capacity as auditors	145	122
In respect of other assurance services	50	45
Operating leases	2,019	2,414

8. Taxation

	Group		Parent	
	2023 £000	2022 £000	2023 £000	2022 £000
Taxation charge for the period:				
Corporation tax	-	-	-	-
Under/(over) provision in previous years	-	-	-	-
Total current tax	-	-	-	-
Deferred tax:3				
Origination and reversal of timing differences	-	-	-	-
Under/(over) provision in previous years	-	-	-	-
Tax deficit on ordinary activities	-	-	-	-

Notes to the Financial Statements 2023 (cont.)

	Group		Parent	
	2023	2022	2023	2022
	£000	£000	£000	£000
Surplus on ordinary activities before tax	48,579	42,922	4	4
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	9,230	8,155	-	-
Surplus relating to charitable entities	(9,230)	(8,155)	-	-
Expenses not deductible for tax purposes	-	-	-	-
Capital allowances in advance of depreciation	-	-	-	-
Utilisation of charges on income	-	-	-	-
Tax charge for the year	-	-	-	-

9. Directors and key management personnel remuneration

Key management personnel are defined as non-executive members of the Board, the Chief Executive and Executive Directors and the total costs are £1,890k (2022: £1,735k).

The aggregate emoluments paid to or receivable by Non-Executive Directors

	2023	2022
	£000	£000
J Weguelin	33	35
D Clark	17	17
H Southwell	16	16
C Davis (Left 28/07/21)	-	2
P Fowler (Left 28/07/21)	-	2
A John	17	13
C Goodchild (Left 28/07/21)	-	2
G S Bull	18	18
P Smith	12	12
J Anderson	17	16
A King	16	16
H Prajapat	12	12
L Zonato	16	16
	174	177

Expenses for the year paid to Board members totalled £2k (2022: £1k).

The aggregate emoluments paid to or receivable by Executive Directors and former Directors

	2023				2022
	Basic Salary	Benefits in kind	Er's Pension Contributions	Total	Total
	£000	£000	£000	£000	£000
E Froude	278	51	-	329	307
R Farrar	194	21	8	223	207
M Duffy	149	35	-	184	165
J Cocker	142	22	28	192	178
C Durnin	149	33	-	182	159
D Evans	127	20	33	180	162
G Oakley	188	23	17	228	211
Total	1,227	205	86	1,518	1,389

Emoluments paid to the highest paid Director (excluding Pension costs) were £329k (2022: £307k).

Elizabeth Froude, as Chief Executive, received remuneration for the year ending 31 March 2023 totalling £329k (2022: £307k). The Association has not contributed to any pension scheme in the period and no enhanced terms apply.

10. Group Employee Costs

Executive Directors costs	2023	2022
	£000	£000
Wages and Salaries	1,280	1,151
Social security costs	198	169
Other pension costs	238	238
	1,716	1,558

Employee costs excluding the executive directors

Other employee costs	2023	2022
	£000	£000
Wages and Salaries	52,825	45,478
Social security costs	5,436	4,315
Other pension costs	7,488	6,276
	65,749	56,069

Notes to the Financial Statements 2023 (cont.)

Average number of full time equivalent persons (including the Chief Executive, and where 1 full time equivalent is based on 35 hours per week) employed during the year was:

	2023	2022
Office employees	**845**	804
Site based employees	**642**	597
Total employees	**1,487**	1,401

The number of full time equivalent employees whose remuneration payable fell within the bands:

	2023	2022
£60,000 to £69,999	**21**	27
£70,000 to £79,999	**36**	18
£80,000 to £89,999	**12**	9
£90,000 to £99,999	**4**	5
£100,000 to £109,999	**5**	6
£110,000 to £119,999	**4**	7
£120,000 to £129,999	**6**	2
£130,000 to £139,999	**4**	2
£140,000 to £149,999	**2**	-
£150,000 to £159,999	**1**	-
£160,000 to £169,999	**-**	3
£170,000 to £179,999	**1**	2
£180,000 to £189,999	**-**	1
£190,000 to £199,999	**3**	1
£200,000 to £209,999	**-**	-
£210,000 to £219,999	**1**	1
£220,000 to £229,999	**1**	-
£230,000 to £239,999	**-**	-
£240,000 to £249,999	**-**	-
£250,000 to £259,999	**-**	-
£260,000 to £269,999	**-**	-
£270,000 to £279,999	**-**	-
£280,000 to £289,999	**-**	-
£290,000 to £299,999	**-**	-
£300,000 to £309,999	**-**	1
£310,000 to £319,999	**-**	-
£320,000 to £329,999	**1**	-
£330,000 to £339,999	**-**	-
£340,000 to £349,999	**-**	-
£350,000 to £359,999	**-**	-
£360,000 to £369,999	**-**	1
	102	86

11. Tangible Fixed Assets – Housing Properties

Group	Housing Properties held for letting £000	Housing Properties in the course of construction £000	Completed Shared Ownership Properties £000	Shared Ownership Properties in the course of construction £000	Total £000
Cost					
At 1 April 2022	2,437,826	121,193	480,980	44,797	3,084,796
Additions	1,105	168,288	438	76,652	246,483
Works to existing properties	24,377	-	-	-	24,377
Disposals	(7,451)	-	(7,863)	-	(15,314)
Fair value disposal	(161)	-	-	-	(161)
Transfer (to)/from current assets	-	-	(409)	(33,369)	(33,778)
Interest capitalised	-	2,574	-	1,537	4,111
Schemes completed	112,185	(112,185)	66,049	(66,049)	-
At 31 March 2023	**2,567,881**	**179,870**	**539,195**	**23,568**	**3,310,514**
Depreciation					
At 1 April 2022	318,110	-	21,689	-	339,799
Charge for the year	34,955	-	3,621	-	38,576
Disposals	(4,145)	-	(487)	-	(4,632)
At 31 March 2023	**348,920**	**-**	**24,823**	**-**	**373,743**
Net Book Value					
At 31 March 2023	**2,218,961**	**179,870**	**514,372**	**23,568**	**2,936,771**
At 31 March 2022	2,119,716	121,193	459,291	44,797	2,744,997

Works to existing properties that were capitalised in the year were £24,377m (2022: £15.650m). Works charged to income and expenditure were £12.507m (2022: £14.057m).

Additions to housing properties include development administrative costs of £6.077m (2022: £5.680m) which have been capitalised. A rate of 3.33% (2022: 3.53%) has been used to capitalise interest.

Fixed assets with restricted title or pledged as security for liabilities have a carrying value of £1,760m (2022: £2,072m) for the Group. The fixed assets of the parent company are not pledged as security for liabilities.

Notes to the Financial Statements 2023 (cont.)

11. Tangible Fixed Assets – Housing Properties (cont.)

Parent	Housing Properties held for letting £000	Total £000
Cost		
At 1 April 2022	111	111
Additions	-	-
Works to existing properties	-	-
Disposals	-	-
At 31 March 2023	**111**	**111**
Depreciation		
At 1 April 2022	18	18
Charge for the year	1	1
Disposals	-	-
At 31 March 2023	**19**	**19**
Net Book Value		
At 31 March 2023	**92**	**92**
At 31 March 2022	93	93

Impairment losses

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 the fair value less costs to sell and value in use.

A full review of assets has been undertaken, and impairment of £33k has been charged (2022: nil).

12. Tangible Fixed Assets – Other

	Freehold Land & Offices £000	Fixtures & Fittings £000	Computer Equipment & Software £000	Motor Vehicles £000	Plant & Machinery £000	Total £000
Cost						
At 1 April 2022	8,076	2,362	2,515	111	2,505	15,569
Reclassification	217	-	-	-	(217)	-
Additions	(217)	393	574	2,252	3,543	6,545
Disposals	-	-	-	(14)	-	(14)
At 31 March 2023	**8,076**	**2,755**	**3,089**	**2,349**	**5,831**	**22,100**
Depreciation						
At 1 April 2022	3,686	1,027	1,380	92	1,208	7,393
Reclassification	-	-	-	-	-	-
Charge for the year	128	494	646	23	429	1,720
Disposals	-	-	-	(11)	-	(11)
At 31 March 2023	**3,814**	**1,521**	**2,026**	**104**	**1,637**	**9,102**
Net Book Value						
At 31 March 2023	**4,262**	**1,234**	**1,063**	**2,245**	**4,194**	**12,998**
At 31 March 2022	4,390	1,335	1,135	19	1,297	8,176

Included in Freehold Offices is freehold land in respect of the offices amounting to £1.238m (2022: £1.238m), which is not depreciated.

Notes to the Financial Statements 2023 (cont.)

12a. Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 1 April 2022	8,156	8,156
Additions	4,157	4,157
Disposals	-	-
At 31 March 2023	**12,313**	**12,313**
Amortisation		
At 1 April 2022	3,090	3,090
Charge for the year	1,489	1,489
Disposals	-	-
At 31 March 2023	**4,579**	**4,579**
Net Book Value		
At 31 March 2023	**7,734**	**7,734**
At 31 March 2022	5,066	5,066

13. Investment Properties

	2023 £000	2022 £000
At 1 April	**16,645**	16,495
Additions	**-**	-
Disposals	**-**	-
Gain from adjustment in value	**580**	150
At 31 March	**17,225**	16,645

Investment properties are stated at a value that is derived annually by an independent valuer performing a RICS Red Book valuation exercise. In determining this value the valuer has adopted what is commonly known as "comparative analysis" whereby transactions in the recent past of similar properties in the vicinity are considered to infer levels of market value applicable, after having made adjustment for size, condition, configuration and location. The valuation also assumes that the properties can offer vacant possession at the valuation date

14. Homebuy Loans Receivable

	2023 £000	2022 £000
At 1 April	**7,750**	8,220
Loans redeemed	**(316)**	(470)
At 31 March	**7,434**	7,750

15. Fixed Asset Investments

	2023 £000	2022 £000
Investments at valuation		
Listed investments	**2,933**	3,916
Unlisted investments	**17,431**	13,411
	20,364	17,327
Historic cost of investments	**21,485**	17,460

The valuation of the unlisted investments is the Board's best estimate of their fair value.

Unlisted investments include cash held by counterparties for loans or financial instruments and are held separately to cash at bank.

16. Stocks

	2023 £000	2022 £000
Properties held for sale		
Shared ownership properties		
Completed	**9,552**	5,579
Work in progress	**23,059**	19,404
Other stock (General materials)	**205**	164
(Freehold Offices)	**387**	1,558
	33,203	26,705

Notes to the Financial Statements 2023 (cont.)

17. Trade and other debtors

	Group 2023 £000	Group 2022 £000	Parent 2023 £000	Parent 2022 £000
Amounts falling due within one year				
Rent and service charge receivable	**12,154**	9,875	**-**	-
Less: provision for bad debts	**(7,910)**	(7,617)	**-**	-
	4,244	2,258	**-**	-
SHG and other grants receivable	**-**	546	**-**	-
Trade debtors	**5,290**	2,564	**-**	-
Prepayments and accrued income	**8,716**	6,654	**-**	-
Amounts owed by group companies	**-**	-	**16**	11
Other debtors	**1,236**	4,653	**-**	-
	19,486	16,675	**16**	11

18. Creditors (amounts falling due within one year)

	Group 2023 £000	Group 2022 £000	Parent 2023 £000	Parent 2022 £000
Bank loans – principal (note 28)	**14,073**	8,122	**-**	-
Bank loans – interest	**5,851**	5,847	**-**	-
Trade creditors	**26,165**	11,850	**-**	-
Accruals and deferred income	**29,310**	23,088	**-**	-
Amounts due to group companies	**-**	-	**50**	50
SHG and other grants received in advance	**46,132**	32,320	**-**	-
Rent and service charges received in advance	**11,399**	10,477	**-**	-
Other taxation and social security costs	**2,617**	2,101	**-**	-
Deferred Capital Grant (note 20)	**5,277**	5,154	**-**	-
Recycled Capital Grant (note 21)	**-**	3,296	**-**	-
Local authority RTB receipts	**13**	13	**-**	-
	140,837	102,268	**50**	50

19. Creditors (amounts falling due after more than one year)

	2023 £000	2022 £000
Bank and other loans (note 28)	**1,378,934**	1,430,983
Festival Property Purchase	**507**	507
Sinking funds & Reserve funds	**3,988**	3,465
Deferred Capital Grant Fund (note 20)	**517,024**	505,107
Recycled Capital Grant Fund (note 21)	**11,406**	6,104
Other recycled grants	**402**	402
Other long term creditors	**1,449**	1,364
	1,913,710	1,947,932

Sinking funds and Reserve funds represent balances held on behalf of leaseholders. The asset element of the balance is included within cash and cash equivilents.

20. Deferred Capital Grant

	2023 £000	2022 £000
At 1 April	**510,261**	497,730
Grant received in the year	**19,438**	20,338
Grant disposed of in the year	**(2,026)**	(2,638)
Released to income in the year	**(5,372)**	(5,169)
At 31 March	**522,301**	510,261
Amount due to be released < 1 year	**5,277**	5,154
Amount due to be released > 1 year	**517,024**	505,107
At 31 March	**522,301**	510,261

Notes to the Financial Statements 2023 (cont.)

21. Recycled Capital Grant Fund

		2023 £000	2022 £000
At 1 April		**9,400**	10,679
Inputs	Grants recycled	**2,338**	3,742
	Interest accrued	**264**	24
Recycling	New build	**(596)**	(5,045)
At 31 March		**11,406**	9,400
Amount up to three years old		**11,406**	9,400
Amount three years or older where repayment may be required		**-**	-
		11,406	9,400

22. Pension

The Association participates in 6 (2022: 6) funded defined benefit pension schemes. All schemes' assets are held in separate funds administered by the Trustees of each scheme. The schemes are as follows:

Scheme Name	Employer contributions 2023	Member contributions 2023
Lincolnshire Pension Fund (LGPS)	28.20%	5.50% to 12.50%
Leicestershire County Council Pension Fund (LGPS)	34.70%	5.50% to 12.50%
Derbyshire Pension Fund (LGPS)	11.40%	5.50% to 12.50%
Worcestershire County Council (LGPS)	19.10%	5.50% to 12.50%
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	N/A	N/A
The Social Housing Pension Scheme	N/A	N/A

Scheme Name	Employer contributions 2022	Member contributions 2022
Lincolnshire Pension Fund (LGPS)	28.20%	5.50% to 12.50%
Leicestershire County Council Pension Fund (LGPS)	34.70%	5.50% to 12.50%
Derbyshire Pension Fund (LGPS)	11.40%	5.50% to 12.50%
Worcestershire County Council (LGPS)	19.10%	5.50% to 12.50%
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	N/A	N/A
The Social Housing Pension Scheme	8.00%	7.10% to 14.50%

All of the funded defined benefit pension schemes that the Association participates in can be separately identified and therefore the Association recognises in full the Schemes' surpluses or deficits on the Statement of Financial Position.

22. Pension (continued)

Local Government Pension Schemes (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by the relevant Local Authority. The total contributions made for the year ended 31 March 2023 were £2,083,000 of which employer's contributions totalled £1,723,000 and employees' contributions totalled £360,000.

Court of Appeal ruling (the Sargeant and McCloud cases)

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to for the LGPS as "McCloud") have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has accepted that remedies relating to the McCloud judgement are needed in relation to all public service pension schemes, and a consultation was published in July 2020 including a proposed remedy for the LGPS.

The key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members for service up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and either remain active or left service after 1 April 2014 (including to those members who no longer have a benefit entitlement from the Fund).

Our results already include an allowance for McCloud that is substantially in line with the above. There are some minor areas where approaches may differ, but other than in exceptional circumstances we would expect the impact of these minor proposed changes to be nil. Based in our discussions with the fund actuaries, we believe that no further adjustments are required in relation to McCloud.

GMP equalisation

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the "Barber" judgement). This includes providing equal benefits accrued from that date to reflect the differences in GMPs. Previously, there was no consensus or legislative guidance as to how this might be achieved in practice for ongoing schemes, but the 26 October 2018 Lloyds Bank court judgement has now provided further clarity in this area.

However, in response to this judgement HM Treasury stated that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement". Therefore, the natural conclusion for the LGPS schemes, is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgement, at least for the present time, so there is no direct allowance specifically for any additional liabilities relating to equalisation at this stage.

Other Legal Cases

We are aware of other recent rulings in relation to public sector pension schemes (Goodwin, Brewster and Langford). These each relate to a small proportion of members' benefits payable in certain circumstances. Each of these rulings is expected to have a small change to a small number of members' benefits. We have made no allowance for them on the grounds of materiality based on our discussion with the fund actuaries. An estimate may be required in future once more is known but we agree with a nil allowance at this time given the difficulty in obtaining appropriate data to produce a credible estimate, and the likelihood that the impact would be immaterial in all but very exceptional circumstances.

Notes to the Financial Statements 2023 (cont.)

Sensitivity to assumptions

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Derbyshire and Leicestershire schemes

Change in assumptions at 31 March 2021	Approximate % increase to Defined Benefit Obligation	
	Derbyshire	Leicestershire
0.1% decrease in Real Discount Rate	2%	1%
0.1% increase in the Salary Increase Rate	0%	0%
0.1% increase in the Pension Increase Rate (CPI)	1%	1%
1 year increase in member life expectancy	4%	4%

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by about 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Lincolnshire scheme

	Range of assumption	
Adjustment to discount rate	+ 0.5%	- 0.5%
Adjustment to long term salary increase	+ 0.5%	- 0.5%
Adjustment to pension increases and deferred revaluation	+ 0.5%	- 0.5%
Life expectancy	+ 1 year	- 1 year

Worcestershire scheme

Discount rate	+ 0.5% p.a.
Inflation	+ 0.25% p.a.
Pay growth	+ 0.25% p.a.
Increase in life expectancy	+ 1 year
Change in 2022/23 investment returns	+/- 1%

Worcestershire County Council Pension Fund only

The FRS102 valuation has been based on full membership data as at 31 March 2022, the date of the latest triennial valuation. The FRS102 roll-forward methodology implicitly allows for inflation linked increases and membership movements in line with the FRS102 assumptions around inflation, retirement patterns, mortality and other relevant decrements up to the balance sheet date.

The Pensions Trust 2016 Waterloo Housing Association Benefits Plan

The Waterloo Housing Association Benefits Plan is a defined benefit scheme in the UK. On 31 March 2016, the scheme was closed to future accrual for all of its existing members but with those members still employed by the company retaining the final earnings link on their benefits. There were no contributions made to this scheme in 2023 (2022: nil) in respect of further pensionable service. The actuarial valuation as at 30 September 2020 showed a deficit of £10,297,000. The employer has agreed with the trustees that it will aim to eliminate the deficit over a period of 6 years from 1 April 2022 by the payment of annual contributions of £1,230,000 (payable monthly) increasing by 5.5% at every subsequent 1 April. Total deficit contributions paid during the year ended March 2023 were £1,230,000 (2022: £921,000 paid monthly). In addition, and in accordance with the actuarial valuation, the employer has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund (2023:£98,000).

Sensitivity to assumptions

The approximate effects of movements in the main assumptions on the value of liabilities are shown in the table below. Please note these figures are very approximate and not Scheme specific.

Movement in assumption

	Range of assumption	
Discount rate	+/- 0.1%	+/- 2%
Inflation assumptions	+/- 0.1%	=/- 2% (of inflation linked liabilities)
Life expectancy	+/- 1 year	+/- 3-5%

The Social Housing Pension Scheme (SHPS)

The Social Housing Pension Scheme (SHPS), is a defined benefit multi-employer pension scheme administered by TPT retirement solutions (TPT).

On 31 March 2022, the scheme closed to future accrual. The total contributions made for the year ended 31 March 2023 were £1,612,000 of which employer's contributions totalled £1,607,000 and employees' contributions totalled £5,000.

The Pensions Trust 2016 Waterloo Housing Association Benefits Plan and SHPS Defined Benefit 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 to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

The Group also contributes to defined contribution schemes, also with the Social Housing Pension Scheme operated by the Pensions Trust.

Sensitivity to assumptions

The sensitivities shown are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

Notes to the Financial Statements 2023 (cont.)

	Change in assumption	Change in liabilities
Discount rate	Increase of 0.1% p.a.	Decrease by 1.5%
Rate of inflation	Increase of 0.1% p.a.	Increase by 1.5%
Rate of salary growth	Increase of 0.1% p.a.	Increase by 0.1%
Rate of mortality	Probability of surviving each year increased by 10%	Increase by 1.7%

Common approach on mortality applicable to all schemes

The mortality rate is based on publicly available mortality tables for the specific country. COVID-19 has caused a short term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of COVID-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and “long COVID” along with potential positive implications if the surviving population is less “frail” or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall the Group believes there is insufficient evidence to require an explicit adjustment to the mortality assumption for COVID-19 at this time.

Policy on pension assets and their recognition

The policy on pension assets and their recognition will vary according to the scheme. LGPS schemes show the employer’s fair value of plan assets as a proportion on the whole fund’s assets. In calculating the asset share as at the accounting date the employer’s share of assets calculated at the latest formal valuation date are rolled forward allowing for investment returns (estimated where necessary), the effect of contributions paid into the fund (estimated where necessary), and estimated benefits paid from the fund by its employer and its employees.

SHPS determines the fair value of employer’s assets in the scheme as the employer’s share of the market value of the scheme assets, split in proportion to the employer’s share of the trustee’s triennial funding liabilities at the accounting date. In order to obtain this fair value for an employer, the trustee’s funding liabilities are calculated for all employers at the accounting date. Each employer’s percentage share of the total funding liabilities is then determined. That percentage share is then applied to the market value of the assets of the scheme as at the accounting date.

The Waterloo Housing Association Benefits plan has its asset values provided by TPT Retirement Solutions in-house Finance Team. As required under FRS102, the bid market value of the assets is generally used for the calculations in the disclosures.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund updated to 31 March 2023 by qualified independent actuaries.

2023	Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Future salary increases	3.90%	3.50%	4.00%	4.20%	4.77%	4.77%
Future pension increases	2.90%	3.00%	3.00%	2.80%	3.04% (RPI)	3.19% (RPI)
					2.03% (CPI)	2.77% (CPI)
RPI					3.16%	3.19%
CPI	2.90%	3.00%	3.00%	2.70%	2.97%	2.77%
Discount rate	4.80%	4.75%	4.75%	4.80%	4.83%	4.86%
Commutation of pensions to lump sums (of max allowance)	Not disclosed	55%	60%	Not disclosed	75%	75%

2022	Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Future salary increases	3.5%	3.70%	3.90%	4.80%	3.00%	4.17%
Future pension increases	3.20%	3.20%	3.20%	3.40%	3.30% (RPI)	3.54% (RPI)
					2.13% (CPI)	3.17% (CPI)
RPI					3.49%	3.54%
CPI	3.20%	3.20%	3.20%	3.30%	3.27%	3.17%
Discount rate	2.60%	2.70%	2.70%	2.80%	2.77%	2.79%
Commutation of pensions to lump sums (of max allowance)	50%-pre-2008 75% post 2008	50%-pre-2008 75% post 2008	50%-pre-2008 75% post 2008	Not disclosed	75%	75%

Notes to the Financial Statements 2023 (cont.)

Mortality assumptions

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

2023		Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Retiring today	Males	19.8	21.5	21.0	22.0	21.7	21.0
	Females	22.9	24.5	24.0	24.2	24.2	23.4
Retiring in 20 years	Males	21.1	23.4	21.8	23.3	23.4	22.2
	Females	24.4	25.4	25.5	26.1	25.6	24.9

Scheme assets/(liabilities) reflected in the statement of financial position

	2023 £000	2022 £000
Present value of employer assets	169,957	201,073
Present value of funded liabilities	(171,946)	(250,653)
Net underfunding in funded plans	(1,989)	(49,580)
Present value of unfunded liabilities	(286)	(375)
Non recognition of pension surplus*	(10,119)	-
Net Liability	(12,394)	(49,955)

Net liability by pension scheme

	2023 £000	2022 £000
Lincolnshire Pension Fund (LGPS)	5,747	(5,594)
Leicestershire County Council Pension Fund (LGPS)	908	(254)
Derbyshire Pension Fund (LGPS)	3,464	(899)
Worcestershire County Council (LGPS)	(2,481)	(34,165)
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	(3,521)	(3,137)
The Social Housing Pension Scheme	(6,392)	(5,906)
Non recognition of Pension scheme surplus*	(10,119)	-
	(12,394)	(49,955)

*The present value of pension scheme surplus has not been recognised in accordance with International Accounting Standard 19 and FRS102.

Composition of plan assets

	2023 £000	2022 £000
Equities	74,440	100,682
Other bonds	51,396	58,679
Property	16,865	18,000
Other	27,256	23,712
Total	169,957	201,073

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

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

	2023 £000	2022 £000
Amount charged to operating surplus:		
Current service cost (net of employee contributions)	(1,988)	(3,844)
Expenses	(170)	(155)
Curtailments	(37)	(510)
Total operating charge	(2,195)	(4,509)
Amount charged to finance costs:		
Interest income on plan assets	5,509	4,017
Interest cost on defined benefit obligations	(6,835)	(5,366)
Total amount charged to finance cost	(1,326)	(1,349)
Amounts of gains and losses recognised in the Statement of Comprehensive Income		
Returns on plan assets excluding interest	(34,856)	6,762
Experience (losses)/gains	(7,268)	(4,147)
Changes in financial assumptions	85,697	12,561
Changes in demographic assumptions	4,920	1,506
Other remeasurement (losses)	(1,950)	-
Non recognition of pension surplus*	(10,119)	-
Total remeasurement gains	36,424	16,682
Total actuarial gain recognised	32,903	10,824

Notes to the Financial Statements 2023 (cont.)

Movement in surplus/(deficit) in the year

	2023 £000	2022 £000
(Deficit) in the schemes at 1 April	(49,955)	(65,842)
Movement in year:		
Employer service cost (net of employee contributions)	(2,195)	(4,509)
Employer contributions	4,658	5,063
Net interest/return on assets	(1,326)	(1,349)
Remeasurements	36,424	16,682
(Deficit) in the schemes at 31 March	(12,394)	(49,955)

Reconciliation of the opening and closing balance of the present value of scheme liabilities

	2023 £000	2022 £000
Opening defined benefit obligation	(251,028)	(257,067)
Current service cost	(1,988)	(3,844)
Expenses	(37)	(36)
Interest cost	(6,835)	(5,366)
Contributions by employees	(352)	(427)
Experience and other gains	(8,817)	(4,147)
Changes in financial assumptions	85,697	12,561
Changes in demographic assumptions	4,920	1,506
Effect of curtailments	(37)	(510)
Net benefits paid	6,245	6,302
Closing defined benefit obligation	(172,232)	(251,028)

Reconciliation of the opening and closing balance of the fair value of the scheme assets:

	2023 £000	2022 £000
Opening fair value of the scheme assets	201,073	191,225
Interest income on plan assets	5,509	4,017
Return on plan assets (excluding interest)	(34,856)	6,762
Other remeasurable gains (losses)	(401)	-
Contributions by employer	4,656	5,063
Contributions by employees	352	427
Net benefits paid	(6,376)	(6,421)
Closing value of the scheme assets	169,957	201,073

Projected defined benefit costs for the period to 31 March 2024

The Association expects to contribute the following amounts to the defined benefit schemes during the year ended 31 March 2024:

	£000
Lincolnshire Pension Fund	**176**
Leicestershire County Council Pension Fund	**61**
Derbyshire Pension Fund	**186**
Worcestershire County Council Pension Fund	**1,125**
TPT 2016 Waterloo Housing Association Benefits Plan	**1,230**
SHPS	**1,560**
Total	**4,338**

Defined Contribution Scheme

The group joined the SHPS Defined Contribution scheme to satisfy its commitment to auto-enrolment, a government pension initiative.

The amount recognised in surplus as an expense for defined contribution plans for the year ended 31 March 2023 is £2,837k (2022:£2,791k)

Notes to the Financial Statements 2023 (cont.)

23. Share Capital

	2023 £	2022 £
At 1 April	9	9
Issued during the year	-	-
Cancelled during the year	-	-
At 31 March	9	9

The shares have a nominal value of £1 each and provide members with the right to vote at general meetings, but do not provide a right to dividends or distributions on winding up. The issue of shares is authorised as required throughout the year. Shares in issue cannot be repaid or transferred and when a shareholder ceases to be a member, the share is cancelled and the amount paid up becomes the property of the Group.

24. Capital Commitments

Capital expenditure contracted for but not provided for in the financial statements

	2023 £000	2022 £000
Capital expenditure		
Capital expenditure contracted for but not provided for in the accounts	**348,350**	419,008
Expenditure authorised by the Board of Management but not contracted	**873,031**	691,047
Total	**1,221,381**	1,110,055

The above expenditure includes £2.588m relating to Platform Property Care's vehicle purchasing costs and is expected to be financed by own resources.

The expenditure authorised by the Board but not contracted includes 3 years of planned but not yet committed development spend and is expected to be financed with:

	2023 £000	2022 £000
Social housing grant	**232,433**	208,561
Proceeds from sales of properties	**297,843**	226,292
Surpluses and borrowings	**691,105**	675,202
Total	**1,221,381**	1,110,055

There are no performance conditions attached to the above commitments.

25. Operating Leases

The Group was committed to making lease payments as follows:

	2023		2022	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
In less than one year	**69**	**129**	192	147
Between two and five years	**84**	**1,732**	77	1,672
Over five years	**70**	**-**	-	-
	223	**1,861**	269	1,819

26. Grants

Total accumulated government grant receivable at 31 March:

	Group		Parent	
	2023 £000	2022 £000	2023 £000	2022 £000
Held as deferred capital grant (note 20)	**522,301**	**510,261**	-	-
Recognised as income in Statement of Comprehensive Income	**156,762**	**151,389**	15	15
	679,063	**661,650**	15	15

Notes to the Financial Statements 2023 (cont.)

27. Related Parties

In accordance with FRS102 Related Party Disclosures, Section 33.1A, Platform Housing Group Ltd has not disclosed transactions entered into between two or more members of the Group, where each party to the transaction is 100% owned.

Transactions with non-registered elements of the business

In accordance with the Accounting Direction 2019, transactions between private registered providers and other non-registered entities in the Group are disclosed as follows:

2023	Turnover	Operating expenses	Interest receivable	Interest payable	Other creditors	Other debtors
	£000	£000	£000	£000	£000	£000
Platform New Homes Limited	73,345	(73,408)	-	(165)	(15,450)	-
PPC Limited	60,035	(60,035)	-		-	10,127
Platform HG Financing PLC	-	-	10,838	(10,838)	(589,977)	590,027

2022	Turnover	Operating expenses	Interest receivable	Interest payable	Other creditors	Other debtors
	£000	£000	£000	£000	£000	£000
Platform New Homes Limited	65,765	(65,650)	-	(218)	10,050	-
PPC Limited	45,120	(45,120)	-	-	-	2,443
Platform HG Financing PLC			8,025	(8,025)	587,924	587,974

A Gift Aid payment of £nil was made by Platform Property Care Limited to Platform Housing Limited (2022: £nil).

A Gift Aid payment of £nil was made by Platform New Homes Limited to Platform Housing Limited (2022: £nil).

Central Housing Investment Consortium Limited (CHIC)

Platform Housing Limited is one of seven founder members of CHIC, a 'not for profit' company limited by guarantee. The principal activity of the Association is based on a joint management arrangement to procure multi-client contracts for the provision of asset management works, services and materials.

These contracts are available to the consortium's current and future membership, who can join the consortium to benefit from the efficiencies yielded through joint procurement and collaborative working.

The members have no direct rights to assets or surpluses of the Association and the liability of each member is limited to £1. The following results have not, therefore, been consolidated into the Association's Financial Statements. CHIC has changed its financial year end to be June.

	Management Accounts 31 March 2023 £000	Audited Accounts 30 June 2022 £000
Turnover	2,204	2,572
Costs	(1,817)	(2,111)
Profit for the year	387	461

28. Financial Instruments and Risk Management

The Treasury function is responsible for controlling liquidity, interest rate and other risks associated with the effective management of day to day cash flows and longer term funding requirements of the Association. Other financial risks, for example tenant rental arrears, are overseen by other teams as part of the overall risk control framework within the Association. Treasury and other activities are governed in accordance with Board approved policies, and the management of associated risks is reviewed and approved by the Audit and Risk Committee. There is further explanation of the approach to risk management in the Strategic Report of the Board.

The Association has been given the highest governance and viability ratings of 'G1/V1', by the Regulator of Social Housing.

Notes to the Financial Statements 2023 (cont.)

Liquidity

The Association had total borrowing facilities of £1,815.3m at 31 March 2023 (2022: £1,982m), of which £410m (2022: £530m) were undrawn.

Borrowings are broken down by lender and type:

	Facility £000	Drawn £000	Available £000	Fixed £000	Variable £000
Bond Finance	956,228	956,228	-	956,228	-
Bank Finance*	859,084	449,084	410,000	436,528	422,556
	1,815,312	**1,405,312**	**410,000**	**1,392,756**	**422,556**

*Include £75m of unsecured debt facilities, all of which were undrawn as at 31 March 2023.

The Group is financed through a mixture of bank and bond finance. During the year the Group fully repaid £40.5m, and cancelled £45m of RCF Finance loans.

Refinancing risk is managed through the Group's Treasury Management Policy, which ensures maturities are not overly concentrated.

With the exception of the unsecured loan mentioned above, all borrowings are secured by specific charges on the Group's individual housing properties.

Maturity profile of outstanding borrowing at 31 March:

	2023 £000	2022 £000
Loans repayable by instalments		
Within one year	**3,823**	3,122
In one year or more but less than two years	**779**	6,223
In two years or more but less than five years	**7,463**	11,886
In five years or more	**90,546**	102,593
Loans not repayable by instalments		
Within one year	**10,250**	5,000
In one year or more but less than two years	**5,000**	10,250
In two years or more but less than five years	**15,000**	20,000
In five years or more	**1,272,451**	1,292,450
Total repayable	**1,405,312**	1,451,524
Less loan issue costs	**(11,675)**	(11,904)
Adjustment for premium on issue	**6,928**	7,276
Discounts on issue	**(7,558)**	(7,791)
Total drawn borrowings (included in Notes 19 and 20)	**1,393,007**	1,439,105

Interest rate risk

Interest rate risk is defined as the risk that unexpected fluctuations in the levels of interest rates adversely impacts the cash flows of the Group, as a result of the Group failing to protect itself adequately. Interest rate risk is managed by limiting its exposure to floating rate debt facilities as detailed within the Group's Treasury Management Policy.

The interest rate exposure of the Group's debt at 31 March 2023 was:

	2023			2022		
	£000	Weighted average rate	Weighted average term	£000	Weighted average rate	Weighted average term
Fixed rate	**1,392,756**	**3.32%**	**23 years**	1,438,478	3.30%	23 years
Variable rate	**12,556**	**4.51%**	**7 years**	13,046	0.95%	8 years
Total drawn	**1,405,312**	**3.33%**	**23 years**	1,451,524	3.28%	23 years

Notes to the Financial Statements 2023 (cont.)

Currency risk

The Group only trades in sterling, and holds no foreign currency denominated assets or liabilities, and is therefore not exposed to any currency risks. It has no overseas subsidiaries.

Credit risk

Credit risk applies to debtor balances, including treasury related assets and others, such as rental debtors.

Treasury related credit risk is the risk that a counterparty to a treasury asset fails to discharge an obligation to the Group. It is the Group's policy not to take, or place funds with any financial institution which is not accepted as a counterparty. Such counterparties are restricted to minimum credit ratings and maximum exposures as set out in the Group's Treasury Management Policy.

The majority of other debtors relate to the tenants of the Group. These debts are reported to the Board on a monthly basis and recovery of debts is coordinated through the Housing management function.

Covenant compliance

Covenant compliance is monitored by the Treasury department on a monthly basis. There were no breaches in the year.

The following financial covenants are assessed on an annual basis at association level:

	2023	2022
Interest cover	**233%**	208%
Gearing	**39%**	38%

Interest cover is calculated by dividing earnings before interest, tax, depreciation and amortisation (including capitalised repairs) by net interest payable. Gearing is calculated as total net borrowings divided by housing assets at cost.

The Group has thresholds in relation to interest cover and gearing as set within its debt facility arrangements. In addition, the Group has adopted 'Golden rules' which act as buffers to loan thresholds, to ensure it operates at a level of risk that is commensurate with the appetite of the Board.

29. Events After Year End

At the Board meeting on the 26 July, Board approval was given for the Group to approach the Local Government Pension Schemes with the aim of making a decision to close the schemes to future accrual in November 2023. This decision was taken following the statutory consultation period with affected colleagues..

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platform housing group