ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2022

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

Registration No. 30224R

CONTENTS

BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS AND ADVISORS

Registered Office	Acton Court, Acton Gate, Stafford, ST18 9AP
The Housing Plus Group Limited	Registered Co-operative & Community Benefit Society No: 30224R Registered by the Regulator of Social Housing No: L4491
Internal Auditors	**Beever and Struthers** 20 Colmore Circus Queensway, Birmingham, B4 6AT
External Auditors	**KPMG LLP** Chartered Accountants and Statutory Auditors, One Snowhill, Birmingham, B4 6GH
Legal Advisers	**Anthony Collins LLP** 134 Edmund Street Birmingham, B3 2ES
Funders	**Nationwide Building Society** Kings Park Road, Moulton Park, Northampton, NN3 6NW
	BAE Systems Pension Funds Investment Management Ltd Burwood House, 14/16 Caxton Street London, SW1H 0QT
	Canada Life Investments 1-6 Lombard Street, London, EC3V 9JU
	Clydesdale Bank plc 30 St Vincent Place Glasgow, GH1 2HL
	Shropshire Council The Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND
	Barclays Bank PLC 1 Churchill Place, London, E14 5HP
	Aviva Investors Structured and Private Debt, St Helen’s 1 Undershaft, London EC3P 3DQ
	M&G, Laurence Pountney Hill, London, EC4R 0HH

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

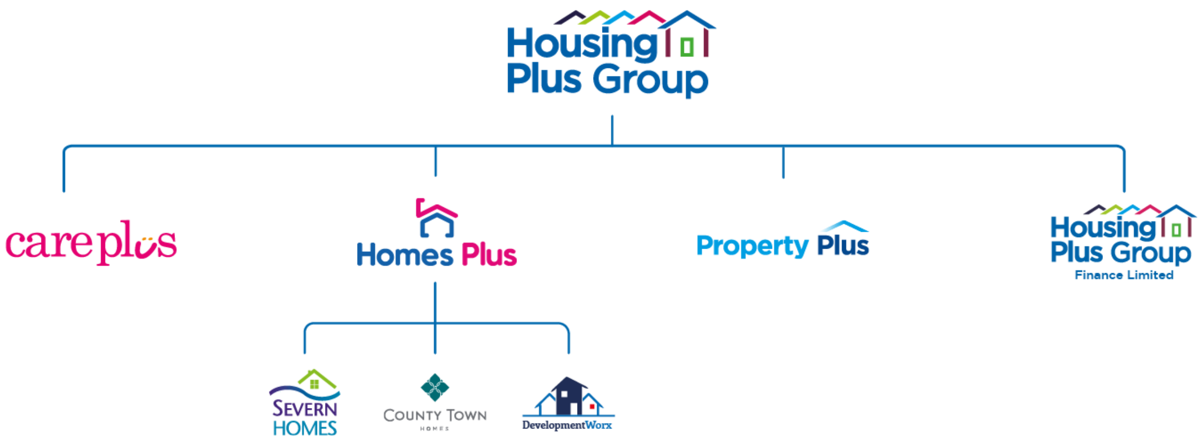
Bankers	**Barclays Bank PLC** One Snowhill, Birmingham, B3 2WN
	National Westminster Bank PLC 8 Mardol Head, Shrewsbury, SY1 1HE
Board of Management	S Jennings (Chair) G Evans (Vice Chair) G Betts R Bowden J Burt C Dass A Dhillon S Boden (Executive Director)
Chief Executive	S Boden
Executive Directors	
Finance Director and Deputy Chief Executive	P Ingle – Resigned 31st July 2021
Executive Director of Finance	V Whibley – Appointed 1st August 2021
Executive Director of Property	S Collins – Ceased to hold office 28th February 2022
Executive Director of Housing and Care	L Clarke
Interim Executive Director of Property	A Kenny – 1st April 2022
Company Secretary	I Molyneux

REPORT OF THE BOARD

Principal activities

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

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



The Parent has four direct subsidiaries:

- **Homes Plus** (Landlord – property owning registered provider)
- **Care Plus Staffordshire** (Care provider registered with the Care Quality Commission (CQC))
- **Property Plus (Midlands) Limited** (Property maintenance company)
- **Housing Plus Group Finance Limited** (Group finance vehicle)

Homes Plus – The Housing Plus Group has simplified it's governance structure through the consolidation of it's three registered providers. Transfers of engagement took place on the 31st October 2021, transferring all Assets and Liabilites from Severnside Housing (SEVE) and Stafford and Rural Homes (SARH) to South Staffordshire Housing Association (SSHA). SSHA was renamed and Homes Plus was launched on the 1st November 2021. Homes Plus is a registered society/community benefit society ("CBS") and a charitable housing association registered with the Regulator of Social Housing (RSH).

REPORT OF THE BOARD (continued)

Principal activities (continued)

Homes Plus has three wholly owned subsidiaries, Severn Homes whose principal activity is the buying and selling of real estate. Severn Homes is fully funded by Homes Plus Limited via an intra group loan agreement to deliver works on behalf of the landlord. Development Worx provides design and build services to Homes Plus and is the contracting vehicle for external partners, suppliers and contractors who support the Homes Plus development programme. County Town Homes (dormant) was incorporated to deliver new build developments for outright sale.

Care Plus (Staffordshire) Limited ("Care Plus") became a subsidiary in April 2010 and delivers care and support services; primarily to the residents of Homes Plus properties. Care Plus purchased a care home in 2020/21 and is the only property asset it holds. Care Plus is an exempt charity from the date of its incorporation. Care Plus is registered with the CQC.

Property Plus (Midlands) Limited ("Property Plus") became a subsidiary in October 2016. It provides general maintenance services to Homes Plus.

Housing Plus Group Finance Limited ("HPGF")

HPGF is the funding vehicle for the Group. The company was incorporated in 2019 and commenced operations on 22 September 2019, when all existing loans originally made to SSHA and SEVE were novated to HPGF. During 2021/22 the Barclays loan previously held by SARH was novated to HPGF. The only funding held outside of HPGF is an historic loan from Shropshire Council and the M&G Private Placement, both of which are held directly with Homes Plus.

The results of Homes Plus, Property Plus, Care Plus, Housing Plus Group Finance Limited, Severn Homes, Development Worx and County Town Homes have been consolidated into the financial statements of The Housing Plus Group for the year to 31st March 2022.

Board members and Executive Officers

The Group is governed by a Board composed of six non-executive members plus the Group's Chief Executive. Four of the non-executive members are also members of subsidiary Boards. Membership of Boards across the Group is periodically renewed to reflect business need.

There are two Group committees: Audit and Risk, and People. Membership of these committees is drawn from all Boards within the Group and is detailed in Note 10 to the financial statements.

The Group is managed by an executive management team headed by the Group Chief Executive supported by a Finance Director, Neighbourhoods and Care Director,

REPORT OF THE BOARD (continued)

and an Interim Property Director. In order to reflect the changing needs of the business, the current composition of this team is under review.

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

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

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

Local authority and funders’ support

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

Accounting policies

The policies can be found on pages 52 to 61 of the financial statements. Accounting policies are consistent across all Housing Plus entities. These include the effects of material estimates on judgements on the financial statements.

Governance

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

REPORT OF THE BOARD (continued)

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

In October 2019 the newly merged Group confirmed its adoption of the National Housing Federation's "Code of governance: Promoting board excellence for housing associations (2015 edition)" as its approved Code of Governance and confirms that the Group complies fully with the Code in all respects. With effect from April 2022, the Group will adopt the 2020 edition of the National Housing Federation's Code of Governance.

Health and Safety and Well-being

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

The Group is committed to ensuring the well-being of its staff and customers. The welfare of our staff and keeping our customers safe was of paramount importance throughout the Covid-19 pandemic with specialist arrangements put in place which were monitored and adjusted in response to changing circumstances.

Working with our staff 'Voice Forum' we have initiated various additional support programmes which now form part of our staff reward package. We also have specialist teams whose work focuses on providing assistance to our customers, particularly the most vulnerable, in what the Group recognises are difficult times. Our boards receive regular reports on these activities, including in respect of safeguarding.

Statement of internal controls

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

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

REPORT OF THE BOARD (continued)

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

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

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities.

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

The People Committee has responsibility for overseeing people related and general governance matters. In discharging its duties, its activities include the recruitment and appointment of all Group Board Members and the executive management team. It also makes recommendations with regard to their remuneration levels to the Group Board and has general oversight in respect of Board effectiveness reviews and non-executive director succession planning.

Environmental and control procedures

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

Information and financial reporting systems

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

All of the above are reviewed in detail by the executive management team and are considered and approved by the relevant board. All boards also regularly review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

REPORT OF THE BOARD (continued)

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

Fraud reporting systems

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

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

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

Monitoring and corrective action

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

The internal control framework and the risk management process are subject to regular review by Internal Audit who advise the executive management team and report to the Group Audit and Risk Committee. The Committee considers internal control and risk at each of its meetings during the year.

The internal audit providers for 2021/22, Beever and Struthers, concluded that there is an adequate, effective and reliable framework for HPG of internal control which provides reasonable assurance regarding the effective and efficient achievement of the Company's objectives.

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

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

REPORT OF THE BOARD (continued)

No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements for the year ended 31 March 2022 and up to the date of approval of the financial statements.

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

The Board 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; and
- 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 2019. 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

REPORT OF THE BOARD (continued)

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditors

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

Independent auditors

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

By Order of the Board:

S Jennings
Chair

I Molyneux
Company Secretary

S Boden
Director
28 July 2022

GROUP STRATEGIC REPORT

Objectives and Strategy

The Housing Plus Group is a public benefit entity. The Group has a clear vision and priorities which are shared across the Group. Its members are committed to delivering good quality, affordable homes and services in Shropshire and Staffordshire.

Our vision, priorities and values are heartfelt statements of intent. The Group has the skills and expertise needed to deliver these in a difficult and ever-changing operating environment. The Group's 2020-22 Corporate plan has been updated for 2022-25 (page 35) with a view to ensuring that the Group remains a resilient business, responsive to customer need and expectations.

Our ***vision*** is:

Making a positive difference: homes, lives, and communities

Our 2020-22 strategic priorities to achieve this vision are:

A leading provider of quality, affordable homes	• Begin building 2,000 more homes to meet a range of needs • Continue to invest in our existing assets, ensuring homes are well maintained and benefit from ongoing improvement programmes • Maintain sector leader status in property compliance and health and safety activites
A dependable supplier of services that customers can trust	• Implement a Care and Wellbeing Strategy for the integration and growth of services • Develop harmonised services to customers • Work with customers across all landlords to create a 'customer voice' model that ensures views are heard
An investor in communities across Shropshire and Staffordshire	• Create 20 apprenticeships in our business and with our partners • Invest in our communities and provide advice to support financial wellbeing and improve employability • Offer befriending and support services for our most vulnerable customers

GROUP STRATEGIC REPORT (continued)

Our values

The Group is guided by a set of core values known as CLARITY which are:

- **C**ommunication
- **L**earning
- **A**ccountable
- **R**espectful
- **I**nclusive
- **T**rust
- **Y**ou

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

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

You – Stakeholders
We can do more, with YOU

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

Business & financial review

The Group returned a surplus for the year of £8.6m. This was £1.1m less than 2020/21.

Despite the Covid-19 pandemic the Group has continued to operate effectively and has had another successful year. We are proud of how our business and people have pulled together to continue to provide vital services throughout a challenging and ever-changing environment.

Work has continued on consolidating operations, systems and procedures including the consolidation of core systems such as the housing management system.

The Housing Plus Group Limited

The parent returned a surplus of £261k for the year. The turnover in the company is intra-group and results from it providing corporate services to the rest of the Group.

Housing Plus has invested heavily in ICT services and equipment. The pandemic forced the Group to adjust its way of working; the shift to hybrid working led the Group to switch to servers in the cloud which allowed a swift and successful transfer to home working.

GROUP STRATEGIC REPORT (continued)

Developing more homes to meet a range of needs

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

For the period 2019-2022 the number of new units delivered by the Group was:

Financial Year	2019/20	2020/21	2021/22
Total Units	446	191	376

For 2021/22 the tenure split of these units was:

	HPG Group		
	Units	Cost £'000	Grant £'000
Developed:			
Social Rent	20	3,680	1,100
Affordable Rent	102	13,784	4,836
Shared Ownership	3	389	117
Off the Shelf Purchases:			
Social Rent	49	6,709	-
Affordable Rent	128	15,410	-
Shared Ownership	74	10,835	-
Total	**376**	**50,807**	**6,053**

GROUP STRATEGIC REPORT (continued)

The Board approved a business plan in May 2022 that demonstrates capacity to build a further 1,132 units under the following tenures:

	HPG Group
Committed units	
General Needs Social Rent	82
General Needs Affordable Rent	92
Supported Affordable Rent	-
Shared Ownership	132
Market Rent	-
Outright Sale	62
Total	**368**
Non committed units	
General Needs Social Rent	129
General Needs Affordable Rent	304
Supported Affordable Rent	3
Shared Ownership	181
Market Rent	8
Outright Sale	139
Total	**764**
Total units	
General Needs Social Rent	211
General Needs Affordable Rent	396
Supported Affordable Rent	3
Shared Ownership	313
Market Rent	8
Outright Sale	201
Total	**1,132**

Cashflow

Cash inflows and outflows for the year under review are set out in the Consolidated Statement of Cash Flows. At 31 March 2022 The Housing Plus Group had total cash reserves of £10.4 million (2021: £13.9 million), a decrease in the year of £3.5 million. Cash flow generated from operations was £31.3 million, which was a decrease on the prior year (£39.8 million).

Statement of Financial Position

Group net assets have increased by £31.4m this year to £205.3m, driven in the main by the group actuarial gain of £23.2m and the group surplus for the year of £8.6m.

GROUP STRATEGIC REPORT (continued)

Treasury management

Treasury management responsibility is delegated by the Group Board to the Executive Director of Finance. The strategy is set annually, approved by the Board with quarterly review and monitoring reports.

Housing Plus Group Finance Limited was incorporated on 12 July 2019 with the aim of sourcing funding on behalf of The Housing Plus Group Limited directly from banks, building societies and capital markets and on-lending the proceeds to asset-owning subsidiaries of The Housing Plus Group. The Company entered into a secured loan facility agreement with Nationwide Building Society on 22 August 2019 using property owned by fellow subsidiaries of The Housing Plus Group Limited as security. On 31 October 2019, the Company entered into three further secured loan facility agreements with Clydesdale Bank Plc, BAE Systems Pensions Funds Investment Management Ltd and Canada Life Investments respectively, using property owned by fellow subsidiaries of The Housing Plus Group Limited as security. On 3 August 2021 the Barclays loan previously held by SARH was novated to HPGF, using property owned by fellow subsidiaries of The Housing Plus Group Limited as security.

All of the drawn funding was on-lent to the Group's asset owning Registered Provider subsidiary, Homes Plus. The Company has undrawn revolving credit facilities which have been secured. Non-utilisation fees in relation to undrawn facilities are re-charged to the Group's asset owning Registered Provider subsidiary, Homes Plus.

The only funding held outside of HPGF is an historic loan from Shropshire Council and the M&G Private Placement, both of which are held directly with Homes Plus using property owned by Homes Plus as security.

Total Group borrowing at the financial year end comprised:

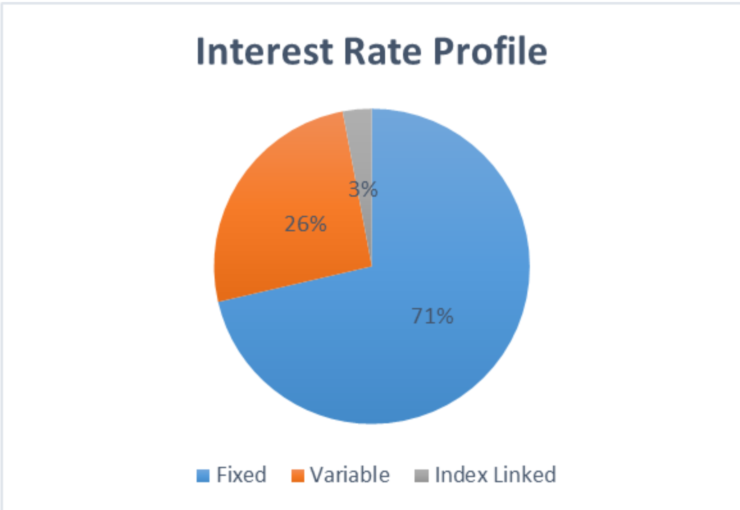
	HP Finance	Homes Plus	Total
	£'000	£'000	£'000
Nationwide	210,300	-	210,300
Canada Life	35,000	-	35,000
BAE	45,000	-	45,000
Barclays	48,000	-	48,000
M&G	-	50,000	50,000
Clydesdale Bank plc	8,000	-	8,000
Shropshire Council	-	8,208	8,208
Total drawn at 31 March 2022	**346,300**	**58,208**	**404,508**
Total facility at 31 March 2022	398,800	58,208	457,008
Total drawn at 31 March 2021	**322,600**	**58,533**	**381,133**
Total facility at 31 March 2021	402,100	58,533	460,633

The undrawn facilities of £52.5 million are fully securitised and available to draw down.

GROUP STRATEGIC REPORT (continued)

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

The Group has pursued a strategy of fixing interest rates on loans to provide certainty of future interest payments. At the year end, 74% of loans (fixed and index linked) were at fixed rates of varying length, with revolving loan facilities attracting interest at variable rates linked to SONIA or Bank of England base rate.



Cash flow risk: a number of the Group's borrowings are held at fixed rates to ensure certainty of cash flows.

Credit risk: The Group's principal financial assets are bank balances and cash, rent arrears and other receivables and investments. The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds is limited because the counterparties are approved UK institutions with high credit ratings as stipulated by the Group's Treasury Management practices.

Liquidity risk: In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

GROUP STRATEGIC REPORT (continued)

Going concern

The board reviewed the 30 year financial plans in May 2022, as part of its normal annual review and budget approval process. The financial plans were stress tested and mitigation plans noted. The Group's principal financial risks were also considered at this time. At that time, the Group Board was satisfied that The Housing Plus Group and all of its subsidiaries had sufficient resources, taking account of severe but plausible downsides, such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, slowdown of the UK housing market or other adverse operational issues, to continue operating for the foreseeable future and accounts have been prepared in the reasonable expectation that The Housing Plus Group is a financially viable organisation.

Covid-19 has impacted performance throughout 2021/22 with void turnover and capital improvements affected during the first quarter linked to continuinggovernment restrictions, Despite these impacts, the financial performance of the Group remained strong. The Group ended the year with an arrears figure of 1.75% against a corporate target of 3% which is testament to the hard work of staff across the organisation.

The Group has £86m surplus security with its lenders as well as £144m of uncharged security. The Group has £16m of secured properties already held in trust which could be allocated quickly to secure new funding if required.

In terms of the non-registered subsidiaries, only Care Plus and Property Plus carry out any significant trading on a commercial basis. Demand for Care Plus' services outside of intra-group trading remain stable although staffing and remediation of compliance issues during the year have resulted in the Group's care home occupancy levels being below those predicted.. All works will be complete in early 2022/23 when the care home is expected to operate at the occupancy levels expected within the Group business plan.

In terms of Property Plus, the surplus was significantly reduced due to restricted access to labour and rising material costs. The shortfall in labour was mitigated using sub-contractors, resulting in increased costs for both labour and materials.

Short term cash flow is monitored daily for all group entities and on a consolidated basis. Cash flow variances are investigated and the information is used to update and improve cash flow forecasts.

Longer-term liquidity is reviewed at least monthly and reported to the Board quarterly over an 18 month planning horizon. Again, this process encompasses all group entities. Latest forecasts demonstrate clearly that The Housing Plus Group and all subsidiaries have sufficient liquidity to cover the period of investment until October 2023.

GROUP STRATEGIC REPORT (continued)

As such, the board conclude that The Housing Plus Group and all subsidiaries remain going concerns. The Board remains satisfied that The Housing Plus Group, taking account of severe but plausible downsides, such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, slowdown of the UK housing market or other adverse operational issues, can continue operating for the foreseeable future and accounts have been prepared in the reasonable expectation that The Housing Plus Group and all subsidiaries is a financially viable organisation.

Risks and uncertainties

The Group understands the importance of a strong risk and assurance framework in growing and creating a perpetuity business that is able to continue to support our communities.

We recognise our assets, customers and staff are vital to the success of the Group, and we operate within a cautious risk range, set out in our risk tolerance matrix, which we consider to be appropriate for our business.

There are specific risks that we will not accept which include any course of action that will contribute or could reasonably be anticipated to contribute to the following occurrences:

- Risks that might threaten financial viability;
- Death, permanent personal injury to staff, contractors, agents and customers;
- Risks that impact on maintaining a resilient business (putting social assets at risk, landlord compliance);
- Failure to implement or comply with Health and Safety (H&S) obligations;
- Any breach of law; and
- Risks that bring intervention or sanction from regulators.

The Group believes that effective risk management is a tool which enables the successful and effective delivery of services, objectives and the promotion of innovation. Also, that identified risks can be reduced to an acceptable level by approaching the control of risks in a strategic and organised manner. In doing so, we are able to grasp and maximise opportunities, improve service delivery, provide a safer environment for staff and the general public and achieve a reduction in unnecessary expenditure.

During 2022/23, we will be undertaking a review of our risk management framework with a view to refreshing our approach to risk management. This review will include consideration of our current risk appetite, risk identification, risk recording, monitoring and reporting.

GROUP STRATEGIC REPORT (continued)

Risks and uncertainties

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

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

The seven strategic key risk areas that the risk and assurance map covers are:

1. Not maintaining a resilient business
2. Not maintaining financial viability
3. Death or Personal injury to staff, contractors or customers
4. Failure to implement or comply with Health & Safety obligations
5. Government or Local Authority decisions adversely affecting business
6. Interventions by Regulators
7. Integration of systems

The highest scoring risks for the Group as at 31 March 2022 were:

- An incident or a breach of ICT security leads to system unavailability and adversely affects the Group;
- The Group suffers financially as it is exposed to fraud, corruption, money laundering or bribery;
- Death or injury is caused due to carrying out maintenance or construction works on the Group's assets;
- High quality employees are not attracted, selected or retained;
- Death or injury is caused due to the condition of the property;
- Contractors and stakeholders other than employees do not follow Health & Safety procedures resulting in injury or prosecution;
- Effective Health and Safety policies and procedures are not in place resulting in prosecution from the Health &Safety Executive;
- The Group fails to scrutinise its activities in line with the expectations of the Regulator and is downgraded;
- Integration of systems has a negative impact on financial resilience, clarity of purpose and capacity and morale;

GROUP STRATEGIC REPORT (continued)

- Pandemic weakens the Group's operational delivery and has a negative impact on Health & Safety of staff and customers, financial resilience and ability to maintain an effective business;
- The Group fails in its duty of care to employees both in relation to Human Resources and Health & Safety (leading to enforcement action);

The Group recognises the importance of not only identifying risks that are high scoring but also those that are inherently high risk but are mitigated by controls.

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

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

Regular risk management assurance reports are provided to each Group Board and on an annual basis, by way of additional assurance, an overarching risk management/internal control report is provided to each Board from the Executive Team and the Group Audit and Risk Committee.

Value for Money ("VFM")

The Housing Plus Group has continued to deliver VFM during 2021/22 despite the huge challenges that the Covid-19 pandemic has presented for our customers and colleagues.

Current tenant arrears have performed ahead of target and are top quartile against our peers.

Some targets have not been achieved this year, some of which relate to the effects of the pandemic. Repair services were limited to emergencies only from April to July, with no planned works taking place and over 50 new home completions were delayed, impacting the metrics below.

Our colleagues have adapted quickly to working differently. When the Covid-19 pandemic struck, HPG changed the way it delivered services over night. As can be seen in the details below, HPG has continued to deliver on its corporate plan objectives and, where targets have not been met, HPG has plans to address these metrics during 2022/23.

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VFM Dashboard

Key: Target: Achieved or better than target | Below target

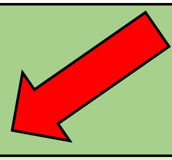
Trend: 3 year trend is improving | 3 year trend is declining

Regulator of Social Housing Metrics						
Metric	**Target 2022/23**	**Target 2021/22**	**Performance 2021/22**	**Performance 2020/21**	**Performance 2019/20**	**Trend**
Headline social housing cost per unit	£4,168	£3,737	**£3,816**	£3,130	£2,875	
Headline social housing cost per unit has increased from £3,130 per unit last year to £3,816. This increase is just above forecast performance. Costs have increased particularly with regards to: sub-contractors being used to catch up on major repairs and electrical certification particularly within the Stafford area; increased IT investment and spend on a new change and transformation team. This investment is to enable the Group to deliver the IT and Data Strategies which will transform the way IT works across the Group. Over time, this investment will reduce the cost of operations, simplifying IT infrastructure and provide staff and customers with a streamlined customer service experience.						

Reinvestment	8.5%	10%	**8.2%**	5.7%	6%	
There have been fluctuations in the development programme due to ongoing materials and labour shortages, and developers prioritising completion of market sales over section 106 properties. These delays to the completion of some development projects in the 2021/22 programme have negatively impacted on the reinvestment % metric. The trend over the past 3 years is an increase in % reinvested.						

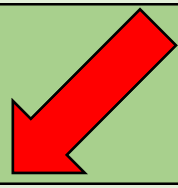
Metric	Target 2022/23	Target 2021/22	Performance 2021/22	Performance 2020/21	Performance 2019/20	Trend
New supply delivered % (Social Housing)	1.00%	2.32%	**1.93%**	1.00%	1.55%	
New supply delivered % (non-social housing)	0.13%	0%	**0.20%**	0.21%	0%	
376 out of a target of 445 homes have been delivered. This was predominantly due to developers prioritising completion of market sale properties due to the buoyant market rather than the section 106 affordable housing. Ongoing industry challenges of materials and labour from Covid19 have led to delays on our site at Cheslyn Park. Despite the delay, our marketing team have been able to sell over 50% of market sale properties off plan. Our development team have been working hard to secure land led development opportunities over section 106 purchases to give us more control over the development pipeline.						

Gearing %	60%	63%	**62%**	61%	63%	
Gearing is 1% ahead of target for the year. Gearing increases when loans are drawn and not spent on the assets of the Group. Gearing has increased year on year due to the higher social housing revenue costs and lower levels of capital spend as a result of the impact of the pandemic already referenced within this report.						
Metric	**Target 2022/23**	**Target 2021/22**	**Performance 2021/22**	**Performance 2020/21**	**Performance 2019/20**	**Trend**
EBITDA MRI Interest Cover %	132%	156%	**141%**	202%	130%	
EBITDA is below forecast primarily due to lower rent receipts due to delays in development, increased repair costs due to the use of subcontractors and increased central support due to higher IT and transformation spend. The figure is within our funders' covenant and HPG treasury policy requirements. The board monitors this metric closely but accepts that there are a number of unavoidable events which have contributed to the Group's lower operating margins. The board is keen to balance operational performance with ongoing capital investment to deliver new housing stock and meet the Group's corporate objectives.						
Operating Margin % (social housing lettings)	24%	25%	**19%**	25%	24%	

Operating Margin % (overall)	23%	25%	**19%**	25%	25%	

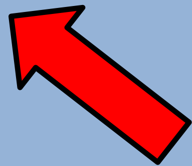
Overall operating margin is below target; this has been affected by:

- Income for rent and service charges being lower than forecast due to delayed completion of new developments. The development team have developed a new 5 year development programme, with a focus on risk management and delivery of properties on time.
- Increased repair and maintenance costs of £4.3m due to increased sub-contractor spend and a 9% increase in repairs above forecast. The Group agreed to increase sub-contractor expenditure during the year to ensure targets were met. The average number of days to conduct repairs was managed and has been reducing through the year, catching up from the loss of 960 working days due to Covid-19, and the challenges around recruitment and sickness this has presented. This additional expenditure also reduces the number of complaints which were forecast to increase if backlogs were left to grow, and improves customer satisfaction.
- Care Plus made a deficit of £287k, due to recruitment challenges, reduced occupancy levels at The Sandford nursing home due to staffing levels and compliance works. This deficit does include a £346k goodwill amortisation adjustment. Domiciliary care in rural areas has also under-performed compared to other areas. A loss making service has now ceased, and works to the nursing home will be complete in July 2022 which will allow occupancy and profitability to increase.
- Capital expenditure in IT relating to investing in additional hardware to enable the rapid transition to hybrid working, and the development of the new Housing Management System has led to a £1.2m overspend against budget. Budgets have been reset for 2022-23 to allow for the increased investment; the decision has been made by the board to invest in this area to make long term savings through cost effective, cloud based, data led services.
- Sale of assets has contributed £1.1m in surplus on non-social housing asset disposals of land in Telford previously earmarked for a new head office, and garage sites.
- Housing depreciation is £1.7m less than budget due to the ex-Stafford and Rural Homes properties depreciation model being aligned with the Group's depreciation policy.

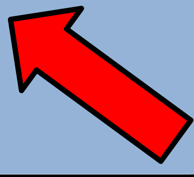
Return on Capital Employed % (ROCE)	3.9%	4.1%	**3.4%**	3.9%	4.1%	

Return on capital employed (ROCE) and new supply delivered have been affected by delays in development completions and a developer insolvency which affected development expenditure and rental income. Overspend on planned works and repairs and maintenance due to increased major works and disrepair claims, plus other factors detailed in paragraph 4.6 below, have had an impact on the overall surplus which has meant that ROCE has not met target.

Housing Plus Group VFM Metrics 2021-22

Metric	Target 2022/23	Target 2021/22	Performance 2021/22	Performance 2020/21	Performance 2019/20	Trend	Corporate Objective
% current tenant arrears	3%	3%	**1.75%**	1.58%	1.2%		Continue to invest in our existing assets, ensuring homes are well maintained and benefit from ongoing improvement programmes

The Group’s arrears performance has been maintained close to 2020/21 performance levels despite the impact of the pandemic on the wider economy. This result remains within the top quartile performance for Housemark’s national benchmarking service. Arrears remain a close focus for the Group, especially with the increase in the fuel cap and the rising cost of living having a major impact on our customers’ ability to pay rent and other household bills.

Metric	Target 2022/23	Target 2021/22	Performance 2021/22	Performance 2020/21	Performance 2019/20	Trend	Corporate Objective
Voids loss (including rent loss, void repair costs and utilities)	£4.8m	£3.4m	**£3.9m**	£3.3m	£1.71m		Maintain sector leader status in property compliance and health and safety activities

Voids loss has increased from £3.3m in 2020-21 to £3.9m in 2021-22. An increase in the number of voids where major work had to be undertaken to bring them up to a compliant standard has had an impact on expenditure. This has been compounded by increased clearance costs due to hoarding, fly tipping and items left in the properties, plusincreased utility and council tax costs. To tackle this, the termination process is being reviewed with an aim to limit these clearance costs.
A review of the voids process has led to a new customer focussed approach. Rather than concentrating on speed of works completion, the client, contractor and neighbourhoods teams are working together to improve the quality of the service. This means that there is an increase in budget to provide customers with homes which reflect the Homes Plus quality standard rather than the bare minimum which may result in dissatisfied customers, higher void turnover and more future repairs.

Compliance with statutory checks	100%	100%	**99.95%**	78%	n/a new 2020/21		
Compliance with statutory checks has improved from 78% to 99.95% in the year, the score last year was affected by a backlog of electrical certifications for the ex Stafford and Rural Homes landlord properties. This has now been brought down to 51 properties, 31 of which are due to access issues, the other 20 are in the programme for early in the 2022-23 financial year. Gas certification had two properties going through the legal access process so recorded a 99.99% score. Fire risk assessments, legionella, asbestos and LOLER (lift regulations) testing all achieved 100% compliance.							

Metric	Target 2022/23	Target 2021/22	Performance 2021/22	Performance 2020/21	Performance 2019/20	Trend	Corporate Objective
Customer satisfaction	80%	87%	**76%**	80%	83%		A dependable supplier of services that customers can trust
Overall customer satisfaction with landlord services for 2021-22 was 76% which is a reduction of 4% compared to 2020-21. The HouseMark median for overall services is 84% compared to 85% in 2020-21. The reduction in customer satisfaction is in line with results across the sector recorded by HouseMark. The HouseMark Monthly Pulse Report May 2021 states 'despite the initial uptick in resident perception early in the pandemic, overall perception scores for 2020-21 were significantly lower than previous years. This is against a backdrop of slowly declining scores over the past three years as landlords maintain performance, but resident expectations appear to increase.' There is continued focus on reviewing complaints and developing targeted improvement plans to increase customer satisfaction where trends are identified. Transactional survey results have improved by between 2-16% in all areas apart from heating & hot water this year.							
% of our Care and Support customers rate our services as 'good' or 'very good'	90%*	95%	**83%**	86%	n/a new 2020/21		
83% of our customers agree that the service we provide is good value for money. Although officers were not able to work their full hours on site during the pandemic, we made sure that they kept in regular contact with our customers in retirement living and extra							

care properties; provided the repairs reporting service; and were available to make telephone calls to ensure well-being. We also made sure that all compliance checks continued throughout the pandemic. To improve communication and transparency in the future, Care Plus is planning to review service models across the Group to ensure that there is a consistent approach where support and site visits by our resident liaison officers are transparent and tailored to the scheme's needs rather than a standardised approach. *Note that the metric for 2022/23 has changed slightly in-line with the new corporate plan. The new metric for 2022/23 is 'Overall satisfaction with domiciliary care services'.							
Number of customers supported into work or a better/more permanent job	n/a	45	**34**	9	n/a new 2020/21		Invest in our communities and provide advice to support financial wellbeing and improve employability
Metric	**Target 2022/23**	**Target 2021/22**	**Performance 2021/22**	**Performance 2020/21**	**Performance 2019/20**	**Trend**	**Corporate Objective**
The target for supporting customers into work or a better/more permanent job has not been met. The target did increase from 20 to 45 in 2021-22, and 34 customers were assisted. The effects of Covid-19 impacted on this KPI. The Community Hubs in Shrewsbury were closed for much of the year which meant customers were not able to access the buildings for advice and support. The Government furlough scheme also enabled customers to remain in their current employment whilst not able to work due to the pandemic. This metric has not been carried over to the new corporate plan which has recently been launched for 2022-2025. See the future plans section below for further details.							
Value of money savings secured for customers by money advice service	£2.4m	£1.9m	**£2.78m**	£1.77m	n/a new 2020/21		Invest in our communities and provide advice to support financial wellbeing and improve employability
Value of monetary savings secured by our money advice services has increased from £1.77m to £2.78m. This is an excellent result considering most of the year has been affected by Covid-19 restrictions leading to different ways of working with our customers.							
Create 20 apprenticeships in our business and with our partners	20	20	**17**	21	n/a new 2020/21		Create 20 apprenticeships in our business and with our partners
As part of our Early Careers programme, we are continuing to develop our networks with local educational providers to build our future pipeline of staff and to establish our Early Careers Brand. Working with the business we convert, where appropriate, vacancies to apprenticeships and provide further career development opportunities via upskill apprenticeships. In 2021-22 we have employed 17 apprentices within the Group and/or our supply chain. Budget restrictions have meant that we are focusing on upskilling our staff using the apprenticeship levy for this financial year, and we hope to increase the apprenticeship numbers in the 23-24 financial year.							

GROUP STRATEGIC REPORT (continued)

VFM performance against our objectives

The Group's VFM Strategy provides a golden thread between delivering our corporate objectives and providing value for money. In last year's VFM statement we committed to achieving VFM by delivering our corporate objectives for the period 2020-2022:

HOMES

A leading provider of quality affordable homes

- **Begin building 2,000 more homes to meet a range of needs** – 376 homes were completed in 2021/22, 69 less than predicted. Development completions have been affected by the first Covid19 lockdown, which had a knock on effect due to the time to re-start work and the supply chain. Development never fits tidily into a financial year and this target is carried forward into the Group's new approved Corporate plan.
- **Repairs** – 40,500 responsive repairs were completed with an average repair time of 7.6 days against a target of 17 days. Major repairs took 64 days against a target of 60 days, however, the trend was improving, with the target achieved over the last six months of the year.
- **Compliance** – Overall compliance has performed strongly, improving from 78% to 99.95%. The EICR (electrical certificate) programme backlog has been clearedensuring all properties across the Group meet the same high standards. Gas servicing achieved a 99.99% compliance rate.
- **Planned improvements** – despite supply chain issues related to Covid 19, performance was strong. 98.9% of programmed works were delivered to plan, our agile internal Property Plus teams were able to move between workstreams to maximise output when shortages in materials meant delivery plans needed to be altered.
- **Zero carbon strategy** – in last year's VFM statement we planned to publish a Zero Carbon Strategy in 2021/2022r. The draft strategy has been pushed back into 2022-23 to allow the first SECR (Streamlined Energy and Carbon) Report to be produced for the Group by our energy broker, Inenco. This report will support us with setting baselines for carbon consumption and will inform the Strategy which will be reported to the Board during 2022.

LIVES

A dependable supplier of services that customers can trust

- **One landlord approach** – In November 2021 we consolidated the former landlords (Severnside Housing, South Staffordshire Housing Association and Stafford and Rural Homes) to form Homes Plus. This has already enabled us to streamline our governance and start to offer a clear and consistent service for all

GROUP STRATEGIC REPORT (continued)

our customers. This emphasises our drive to provide essential 'plus' services like employment advice as well as support for and investment in our communities.

- **Increased the delivery of the Wellbeing service** – This objective has been impacted by the effects of the Covid19 pandemic. Good progress has been made in order to secure funding for the floating support service in Shropshire and extend this service to customers in Staffordshire. A specialist hoarding support service has also been established.
- **Customer Voice** – STAR transactional surveys have improved in all but one area (heating & hot water). Anti-social behaviour, gas repairs, lettings, customer service and responsive repairs have all improved by between 2-16%. Areas of dis-satisfaction are being focussed on to develop action plans to learn and improve our services.

COMMUNITIES

An investor in communities across Shropshire and Staffordshire

- **Create 100 apprenticeships in our business and with our partners** – We currently have 76 apprentices, and the teams are committed to supporting upskilling and conversion of roles into apprenticeship opportunities where possible. We are still committed to creating 100 apprentices by 2023 and remain on target to do so.
- **Investing in our communities** – Our Employment and Money Advice teams have had a very successful year, supporting our customers to save £2.78m, £878,000 above the original target. This is a great result for the team that has expanded its role this year across the Stafford area, to ensure all our customers are able to access this service across the group.
- **Local supplier spend** – The Group has spent £22.8m or 45% (38% in 2020/21) of total expenditure with 266 suppliers based within the area that we operate.

Integration and procurement

- **Integration** – The Audit and Risk Committee hadresponsibility to oversee the delivery of the merger integration plan following the Group's merger with Stafford & Rural Homes in 2019. Integration savings amount to £1.4m for 2021-22. Significant areas of saving result fromexecutive team restructure, consolidation of the insurance portfolio and the reduced number of board members due to the rationalisation of boards across the new Group structure. During 2021-22, the Audit and Risk Committee has confirmed successful completion of the delivery of the integration plan.
- **Hybrid working** – During Covid 19 we successfully launched hybrid working to all office-based staff, providingthem with the appropriate IT equipment to enable them to work effectively from any location. We have refurbished offices in Brassey

GROUP STRATEGIC REPORT (continued)

Road, Shrewsbury to provide a modern workspace. The first floor has been transformed to provide teams with hot desking and plenty of collaboration and meeting spaces with Microsoft Teams meeting room equipment. The ground floor of the premises will be let out, which will provide pay-back for the renovation work within three years. The new office space has received excellent feedback from colleagues who have visited and worked there. This project will set a blueprint for our future office plans to exploit the benefits of hybrid working which include:

- Providing our staff with a modern, fresh working environment which makes the offices a great place to be and attracts new staff in the future;
- Establishing a paperless environment, with a digital first ethos;
- Utilising the technology available to reduce our carbon footprint and the impact on the environment;
- Installing more electric charging points across all sites and schemes. We currently have 22 chargers over 8 sites and 12 electric pool cars, which we plan to expand, particularly as our Property Plus fleet begins to use electric vans; and
- Encouraging staff to reduce commuting, and find more sustainable modes of transport, such as cycling to work which we support with our staff cycle to work scheme

The new ways of working and footfall in all our offices is being monitored to develop a future office strategy which will deliver offices fit for our new ways of working which will be efficient, sustainable and attractive places to work.

- **Procurement**

    - **IT** - There has been significant investment in IT, with extensive ongoing activity continuing into the 2022-25 Corporateplan period. This investment is key to delivering our 'One Landlords project to integrate, rationalise and modernise our IT infrastructure, data management and security practices. The move to a single housing management system for Homes Plus and the associated Data Management project will have a huge impact on our staff's ability to operate, using one source of data in real time. The benefits to our customers will also be significant, offering them better customer service through streamlined processes with the ability to self-serve and contact us in ways and at times that suit them.
    - **Accounting software** - We consolidated our financial accounting software support into one system with one support contract, saving £36,500.
    - **Energy procurement** – Gas and electric contracts were fixed for the period until October 2024 when energy prices were very low. This has meant that our offices and the communal areas which our customers pay service charges for are paying energy rates which are far below the current rates. Energy costs have increased dramatically due to the international situation

GROUP STRATEGIC REPORT (continued)

and conflict in Ukraine. The cost avoidance for 600 electricity suppliers and 50 gas supplies equates to a saving of £3.5m over the three years October 2021 – September 2024, of which £900,000 of costs have been saved in the period 2021-22.

- **Materials contracts** – In the first full year of the new Group materials contract, Jewson has supported Property Plus to maintain the supply chain and minimise the impact of product price inflation. Property Plus has received a £105,000 rebate this year and Jewson has donated £26,000 to the HPG Community Fund. New contracts have also been negotiated for the supply of boiler and heating components, saving £123,000. Electrical materials have also been re-procured saving £10,000.

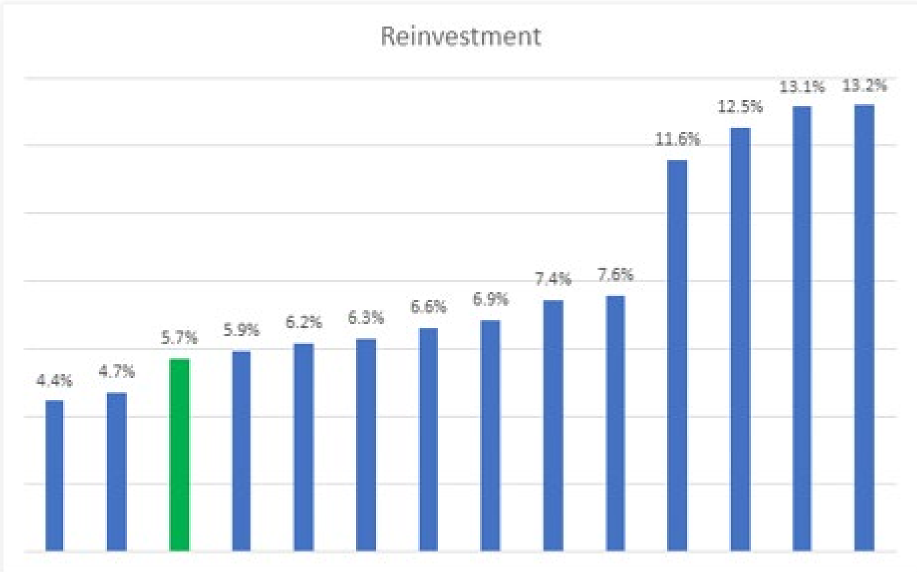
Benchmarking

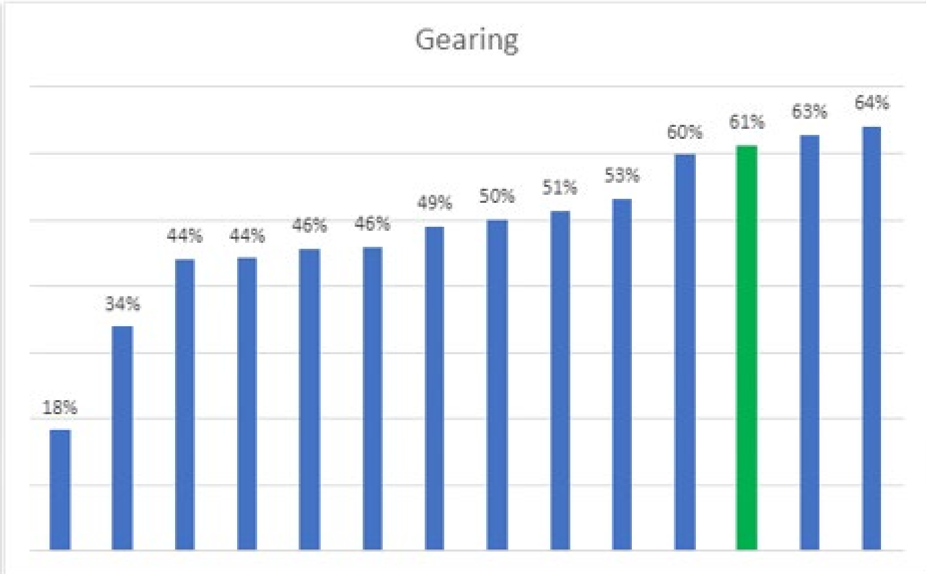
Please see graphs below which demonstrate the Group's performance against Large scale voluntary transfer (LSVT) and traditional registered providers with between 15,000 – 25,000 units. London based providers and providers with a high proportion of supported housing have been excluded to ensure a relevant comparison.

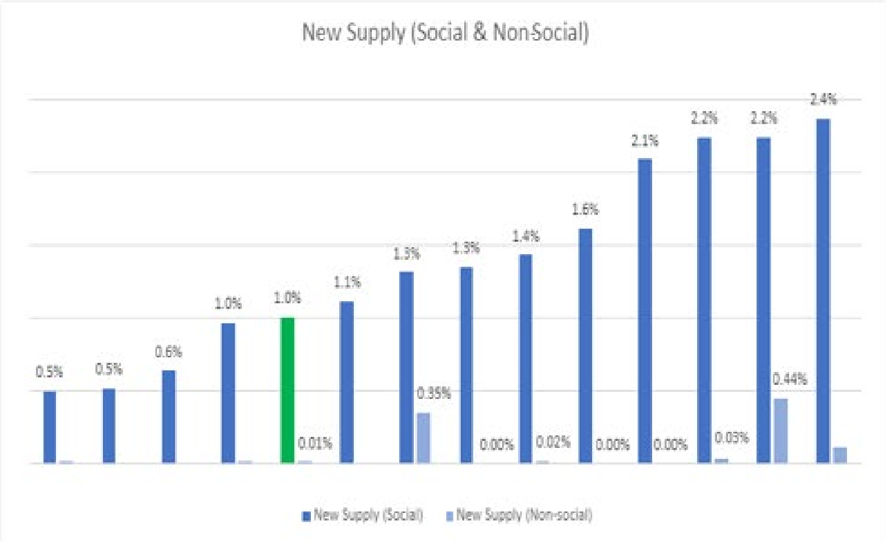
The graphs are divided into two sections. The first graphs are associated with the Group's corporate objective – to be a leading provider of quality, affordable homes - and the second section oare related to the Regulator of Social Housing's objective to evidence business efficiency. HPG is represented by the green bar on all the charts. Note that the global accounts are a lagging indicator, published in February 2022, but relate to the financial year 2020-21.

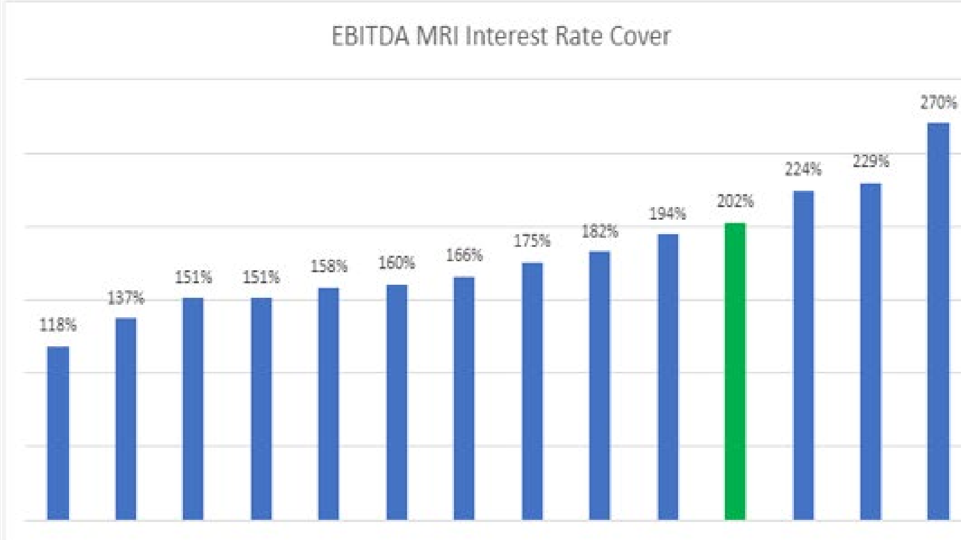
Source: 2021 Global accounts of registered providers – Regulator of Social Housing, February 2022

Homes – A leading provider of quality, affordable homes



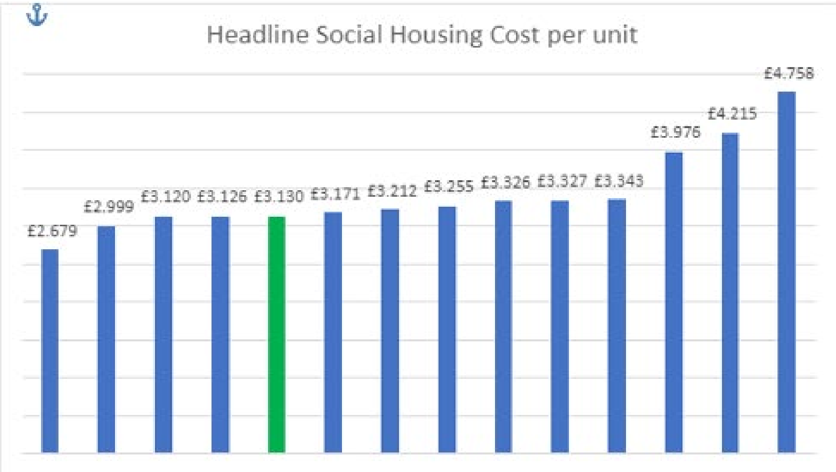


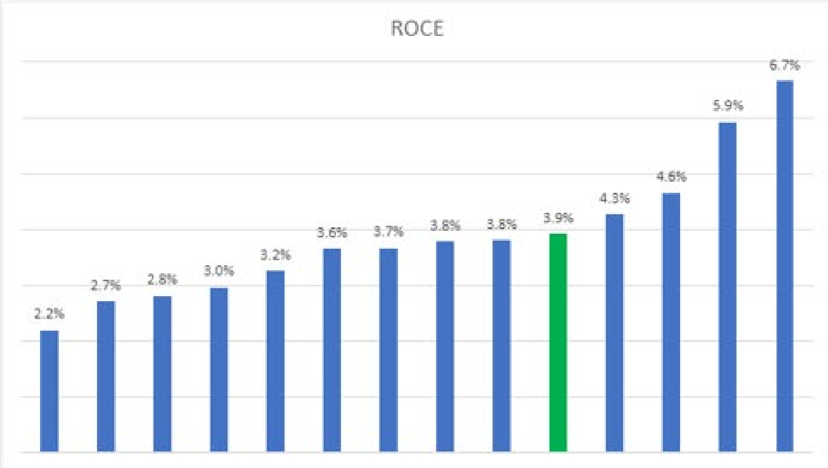


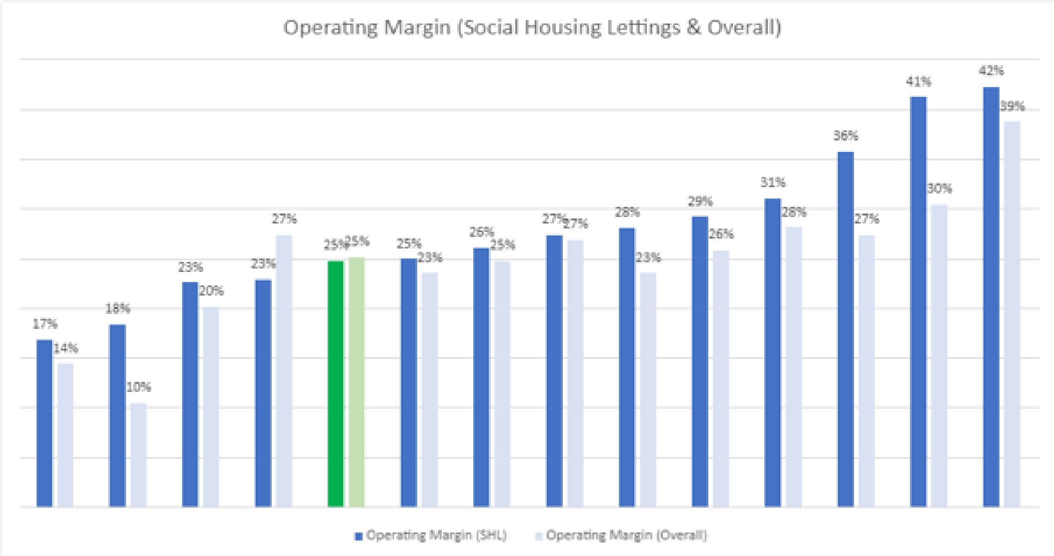


Reinvestment of 5.7% was 1% below the median, mainly due to pausing the Stafford and Rural Homes investment programme to focus on compliance activities and ensure the Group was delivering a consistent approach to training and repair and maintenance. Due to Covid-19, 51 new properties were not handed over in the year. Gearing is in the upper quartile at 61% (median 44%), this has improved from 76% last year due to merger benefits. This is due to high historic asset values and debt levels which the Group and funders are aware of and, is within covenants. The Group continues to lever the debt to develop the business. EBITDA conversely is relatively low compared to the peer group for the same reasons as above. New supply was impacted due to delays caused by Covid-19 and a contractor becoming insolvent. If the 51 forecasted additional properties had been delivered in the year, the metric would have been 1.55% which is above the average of 1.3% for the peer group.

Business efficiency – delivering VFM







The Group's Headline Social Housing cost per unit is £100 less per unit than the peer group average. Operating margins are close to the median of 26%. Return on Capital Employed (ROCE) is above average for the peer group demonstrating that the Group is using capital effectively and efficiently.

Future Plans

Housing Plus Group have recently launched a new Corporate Plan for 2022-25

The new plan is entitled **Progressive and Resilient Through Change** reflecting the fact that we are very much in changing times but acknowledging the changes we have made to enable us to be resilient and progressive. The people we are here to support and serve need us now more than ever. We plan to do more in our new Corporate Plan, we have to be careful with our resources and achieve value for money. This will enable us to stay focused on our mission to provide better homes, better lives and better communities.

The Corporate Plan has 3 strands:

Homes

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

Lives and Communities

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

Business Resilience

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

Housing Plus Group's VFM strategy has a golden thread to our Corporate Objectives, by delivering our objectives we will deliver value for money.

Specific VFM targets for 2022-23 include:

Corporate Plan Theme	HPG VFM Metric 2022-23	Target 2022-23
Homes	Complete 225 new homes	225 homes complete in 22/23
	Achieve 100% compliance against all regulatory and legislative requirements	100%
Lives & Communities	Implement a Quality Strategy to improve customer experience and service quality	Approve and start to deliver Quality Strategy
	Overall customer satisfaction with landlord services	80%
	Overall satisfaction with domiciliary care services	90%
	Achieve £2.4m in savings and additional benefits for tenants by the employment and money advice team	£2.4m
	Establish a new community hub	1 new community hub launched
Business Resilience	Maximise rental income through effective collection and financial support	Arrears 3% or less
	Develop a consistent strategy to service charges	Agree service charges approach
	Develop and deliver ESG (Environmental, Social & Governance) strategy	ESG strategy approved and start to deliver

Self-assessment

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

In compiling this summary, we feel that we have demonstrated our current and future plans and approaches to VFM which have produced some excellent results, and are well placed to continue to deliver our new corporate plan.

GROUP STRATEGIC REPORT (continued)

Environmental, Social and Governance (ESG)

The Sustainability Reporting Standard for Social Housing (SRS) was launched in November 2020 in order to improve transparency and reduce inconsistency in ESG reporting in the housing sector. A group of housing associations worked collaboratively alongside investors and other organisations to establish a set of sector-wide metrics which each housing association can report against. It is believed that by adopting and following the standard this will attract more investment to the housing sector as a whole,.

The Housing Plus Group is very much in the early stages of its ESG journey. However, some of the Standards' reporting requirements are already embedded in our asset management and value for money strategies, as well as our core values and corporate plan for 2022-25;

Environmental

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

Social

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

GROUP STRATEGIC REPORT (continued)

Governance
Ensure a dynamic approach to risk identification and mitigation
Ensure we have appropriate systems and technology to drive business transformation and greater business efficiencies
Ensure we have secure, appropriate data, skills, systems and technology to enable effective management and development of our businesses
Continue to modernise our governance services and structures to ensure efficient, supportive and skilled services and Regulatory compliance

A Group ESG strategy is to be written and approved by the Board of Directors by December 2022, ahead of the Group's first ESG reporting cycle for the period ending 31 March 2023.

Statement of compliance

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

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

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

S Jennings
Chair

Irene Molyneux

I Molyneux
Company Secretary

S Boden
Director
28 July 2022

Independent auditor’s report to The Housing Plus Group Limited

Opinion

We have audited the financial statements of The Housing Plus Group Limited (“the association”) for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the group and the association as at 31 March 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; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 group’s and the association’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over 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.

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

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

Fraud and breaches of laws and regulations – ability to detect

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts..
- Assessing whether the judgements made in the accounting estimates are indicative of potential.

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

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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 and Community Benefit Societies legislation), taxation legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law recognising the 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 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.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially 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 9, the association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

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

Sarah Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
15 September 2022

CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022

	Note	Year Ended 31 March 2022 Group	Year Ended 31 March 2022 Parent	Year Ended 31 March 2021 Group	Year Ended 31 March 2021 Parent
		£'000	£'000	£'000	£'000
Turnover	3	101,463	18,279	97,745	14,544
Cost of Sales	3	(3,456)	-	(3,520)	-
Operating Costs	3	(78,383)	(17,860)	(69,703)	(14,159)
Gain on disposal of property, plant and equipment (fixed assets)	4	4,327	-	1,524	-
Movement in fair value of investment properties	14	1,151	-	884	-
Operating surplus		**25,102**	**418**	**26,930**	**385**
Interest receivable and similar income	5	3	-	43	-
Interest and financing costs	6	(16,531)	(157)	(17,303)	(73)
Surplus before tax	7	**8,574**	**261**	**9,670**	**312**
Taxation on surplus	8	(17)	-	-	-
Surplus for the year		**8,557**	**261**	**9,670**	**312**
Actuarial gain/(loss) in respect of pension schei	24	23,227	7,072	(15,154)	(4,355)
Total comprehensive income for the year		**31,784**	**7,333**	**(5,484)**	**(4,043)**

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

The accompanying notes on pages 49 to 101 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2022

	GROUP			PARENT		
	Income and Expenditure Reserve	Restricted Reserve	Total	Income and Expenditure Reserve	Restricted Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	**171,113**	**2,780**	**173,893**	**(6,803)**	**-**	**(6,803)**
Total surplus from Statement of Comprehensive Income	**7,592**	**965**	**8,557**	**261**	**-**	**261**
Actuarial gains / (loss) on defined benefit pension scheme	23,227	-	23,227	7,072	-	7,072
Other Comprehensive Income for the year	**23,227**	**-**	**23,227**	**7,072**	**-**	**7,072**
Capital spend in the year	-	(337)	**(337)**	-	-	**-**
Balance at 31 March 2022	**201,932**	**3,408**	**205,340**	**530**	**-**	**530**

	GROUP			PARENT		
	Income and Expenditure Reserve	Restricted Reserve	Total	Income and Expenditure Reserve	Restricted Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	**176,920**	**2,533**	**179,453**	**(2,760)**	**-**	**(2,760)**
Total surplus from Statement of Comprehensive Income	**9,347**	**323**	**9,670**	**312**	**-**	**312**
Actuarial gains / (loss) on defined benefit pension scheme	(15,154)	-	(15,154)	(4,355)	-	(4,355)
Other Comprehensive Income for the year	**(15,154)**	**-**	**(15,154)**	**(4,355)**	**-**	**(4,355)**
Capital spend in the year	-	(76)	(76)	-	-	-
Balance at 31 March 2022	**171,113**	**2,780**	**173,893**	**(6,803)**	**-**	**(6,803)**

The accompanying notes on pages 49 to 101 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2022

	Note	As at 31 March 2022 Group	As at 31 March 2022 Parent	As at 31 March 2021 Group	As at 31 March 2021 Parent
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets and goodwill	11	3,719	841	2,133	750
Tangible fixed assets					
Housing properties	12	656,439	-	623,146	-
Other tangible fixed assets	13	8,155	852	8,958	474
Investment Properties	14	22,530	-	20,654	-
		690,843	1,694	654,891	1,224
Current assets					
Stocks	15	16,001	-	14,118	-
Debtors	16	7,296	2,078	6,693	1,315
Investments		7	-	8	-
Cash and cash equivalents		10,429	303	13,939	727
Less: Creditors: Amounts falling due within one year	17	(28,677)	(2,370)	(22,737)	(2,522)
Net current assets/ (liabilities)		**5,056**	**10**	**12,021**	**(480)**
Total assets less current liabilities		**695,898**	**1,704**	**666,912**	**744**
Creditors: Amounts falling due after more than one year	18	(472,566)	-	(453,119)	-
Pension Provision	24	(17,992)	(1,174)	(39,900)	(7,547)
Total net assets		**205,340**	**530**	**173,893**	**(6,803)**
Reserves					
Income and expenditure reserve		201,932	530	171,113	(6,803)
Restricted reserve		3,408	-	2,780	-
Total reserves		**205,340**	**530**	**173,893**	**(6,803)**

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

S Jennings
Chair

S Boden
Director

Irene Molyneux

I Molyneux
Company Secretary

28 July 2022

The accompanying notes on pages 49 to 101 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2022

	Note	Year Ended 31 March 2022		Year Ended 31 March 2021	
		£'000	£'000	£'000	£'000
Cash from operations	23		**31,303**		**39,761**
Taxation receivable / (payable)			324		(650)
Net cash generated from operating activities			**31,627**		**39,111**
Cash flows from investing activities					
Purchase of tangible fixed assets		(54,074)		(36,583)	
Purchase of intangible assets		(2,096)		(2,876)	
Proceeds from sale of tangible fixed assets		10,783		6,809	
Grants received		2,637		1,254	
Interest received		4		41	
Net cash from investing activities			**(42,745)**		**(31,355)**
Cash flows from financing activities					
Interest paid		(15,767)		(17,150)	
Loan drawdowns/ new loans		27,000		17,000	
Repayments of borrowings		(3,625)		(3,617)	
Net cash used in financing activities			**7,608**		**(3,767)**
Net increase/ (decrease) in cash and cash equivalents		(3,510)		3,989	
Cash and cash equivalents at beginning of the year		13,939		9,950	
Cash and cash equivalents at end of the year	24		**10,429**		**13,939**

The accompanying notes on pages 49 to 101 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

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

2. Accounting policies

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

Basis of accounting

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

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

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

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

As part of their normal annual review and budget approval process, the Board of Management have reviewed the 30 year business plan for the Housing Plus Group.
The financial plan of Homes Plus was stress tested against six different scenarios including economic decline, reduced property sale demand, net carbon zero/compliance additional spend, pension changes, significant one-off events and a ‘perfect storm’ scenario combining all of the previous five scenarios. Mitigations were needed for all scenarios, with the ‘perfect storm’ scenario requiring a 25% reduction in repairs and maintenance spend, the removal of all uncommitted development, a reduction in non-business critical back office costs, the sale of the Groups market rented properties and the Groups offices (other than the head office). Although the ‘perfect storm’ scenario could be managed internally in terms of debt, interest cover covenants could not be mitigated to the levels required by the funders without a significant impact on the Groups services.

Rental income collection has remained strong during the period with little change in the arrears figure to date with performance at 1.75% which is below the corporate target of 3%. Voids performance suffered during the pandemic, but performance has since improved. Development continued to be impacted by the pandemic during the

NOTES TO THE FINANCIAL STATEMENTS (continued)

early part of 2021/22 and was later impacted by post Brexit supply chain issues and the buyant outright sales market resulting in conflicting developer priorities.

In terms of the non-registered subsidiaries, only Care Plus and Property Plus carry out any significant trading. Demand for Care Plus' services outside of intra group trading remain stable, although compliance issues have resulted in the Groups care home remaining well below expected occupancy during the year. All works are estimated to be complete in early 2022/23 when the care home is expected to operate at the occupancy levels expected within the Group business plan.

In terms of Property Plus, the surplus was significantly reduced as a result of reduced access to labour and rising costs of materials. The shortfall in labour has been mitigated using subcontractors, resulting in higher costs for both labour and materials.

As at 31st March 2022 the Group had £10.43m of cash and a further £52.5m of available facilities ready to draw down.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believe that while uncertainty exists, taking account of severe but plausible downsides, such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Governments rent settlement agreement, slowdown of the UK housing market or other adverse operational issues,this does not pose a material uncertainty that would cast doubt on the Group's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from signing of the accounts and audit report. The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

Basis of consolidation

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

At 31 March 2022, the wholly owned subsidiaries were: Homes Plus Limited, Severn Homes Limited, Care Plus Staffordshire Limited, Property Plus (Midlands) Limited and Housing Plus Group Finance Limited.

The consolidated statement of financial position at 31 March 2022 incorporates the assets and liabilities of all entities within the group at that time. The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows incorporate the results for the period that they were members of the group.

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

The Housing Plus Group Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside

NOTES TO THE FINANCIAL STATEMENTS (continued)

these consolidated financial statements. Exemptions have been taken in relation to the following:

- A Statement of Cash Flows has not been presented for the parent company.
- Certain disclosures in the parent company's financial statements have not been presented where equivalent disclosures have been provided for the Group as a whole.
- No disclosure has been made for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the group as a whole.

Turnover and income recognition

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

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from Low Cost Home Ownership sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

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

Value Added Tax (VAT)

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

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

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

Interest payable and other finance costs

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

Taxation

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

Pensions

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

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

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

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

Holiday pay accrual

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Housing properties

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

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

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

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

The Group's housing assets are depreciated as follows:

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

Component estimated useful life

• Structure	100 years
• Roof	60 years
• Kitchens	20 years
• Bathrooms	30 years
• Heating System/Boilers	15 years
• Wiring System	30 years
• Lifts	30 years
• UPVC external doors	30 years
• UPVC windows, fascia's and guttering	30 years
• Porches	30 years
• Solar Panels	30 years
• Housing Act Sewerage Works	25 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

Capitalisation

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

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

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

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

Accounting for grants

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

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

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

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

Sale of housing property

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

The proceeds of first tranches sales are accounted for as turnover in the Statement of Comprehensive Income. The total property cost is apportioned between the shared

NOTES TO THE FINANCIAL STATEMENTS (continued)

ownership element and the element remaining in the Group's ownership based on the percentage sold or estimated to be sold.

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

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

Intangible assets

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

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

Software warranties & licences	5 years

Other tangible fixed assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Impairment

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

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

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

Leased assets and leasing obligations

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

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

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

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

Goodwill

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

- The Sandford Care Home – 4.5 years

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

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

Stocks

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

Debtors and creditors

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenditure.

Financial instruments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Cash and cash equivalent

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

Loan issue costs

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

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

Provisions for liabilities and charges

The Group only makes a provision when:

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

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

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

Contingent liabilities

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

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

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

Reserves

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

- *Impairment of assets*

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

- *Defined benefit pension scheme*

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

During the year ended 31 March 2022, the range of assumptions used by the individual schemes of which the Group is a member is shown in Note 23 of the financial statements. *Classification of Financial Instruments*

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

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

- *Leases*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

- *Development expenditure*

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

- *Assets*

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

- *Revaluation of investment properties*

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

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

- *Debtors*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Group	Note	Year Ended 31 March 2022 Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)	Year Ended 31 March 2021 Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings									
Income and expenditure from social housing lettings	3a	89,602	-	(72,887)	16,715	86,434	-	(65,045)	21,389
Other social housing activities									
1st Tranche Low Cost Home Ownership sales		4,952	(3,456)	(188)	1,307	3,658	(2,586)	(172)	900
Leaseholders		122	-	(101)	20	113	-	(116)	(3)
Tenant garages		169	-	-	169	179	-	-	179
External activities		2,683	-	(2,963)	(280)	3,146	-	(3,164)	(18)
Development team		-	-	(370)	(370)	-	-	-	-
Office depreciation and impairment		-	-	(95)	(95)	-	-	(181)	(181)
Other activities		417	-	1	418	510	-	(92)	418
		8,343	(3,456)	(3,718)	1,168	7,606	(2,586)	(3,725)	1,295
Activities other than social housing activities									
Write down on closure of subsidiaries Note 26		-	-	2	2	-	-	-	-
Shops		297	-	(4)	293	183	-	-	183
Private garages		901	-	(7)	894	865	-	(34)	831
Market and commercial rent		974	-	(171)	802	963	-	(109)	854
Other		84	-	(0)	84	233	-	-	233
Market sales		-	-	(62)	(62)	750	(934)	(60)	(244)
Sandford care home		1,262	-	(1,536)	(274)	711	-	(730)	(19)
		3,518	-	(1,778)	1,741	3,705	(934)	(933)	1,838
Gain on disposal of property, plant and equipment (fixed assets)					4,327				1,524
Movement in fair value of investment properties					1,151				884
Total		**101,463**	**(3,456)**	**(78,383)**	**25,102**	**97,745**	**(3,520)**	**(69,703)**	**26,930**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

PARENT	Note	Year Ended 31 March 2022 Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)	Year Ended 31 March 2021 Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings									
Income and expenditure from social housing lettings	3a	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Other Social Housing Activities									
Charges for support services		18,279	-	(17,490)	788	14,535	-	(14,290)	245
External Activities		-	-	-	-	-	-	-	-
Development Team				(370)	(370)				
Intra Group		-	-	-	-	9	-	131	140
		18,279	-	(17,860)	418	14,544	-	(14,159)	385
Total		**18,279**	**-**	**(17,860)**	**418**	**14,544**	**-**	**(14,159)**	**385**

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a. Income and expenditure from social housing activities

GROUP	Year Ended 31 March 2022 General Housing	Supported Housing	Low Cost Home Ownership	Care Housing	Total	Year Ended 31 March 2021 Restated Group Total
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Rent receivable net of identifiable service charges	66,949	10,261	2,017	4,178	83,405	80,136
Service charge income	965	2,740	410	1,325	5,440	5,543
Amortised government grants	481	98	58	120	757	699
Other income	5	(5)	-	-	-	56
Turnover from social housing lettings	**68,400**	**13,094**	**2,485**	**5,623**	**89,602**	**86,434**
Operating Expenditure						
Management	(18,629)	(3,886)	(817)	(1,706)	(25,038)	(21,651)
Service charge costs	(2,054)	(1,700)	(20)	(1,393)	(5,167)	(4,214)
Routine maintenance	(10,406)	(155)	-	(73)	(10,634)	(9,309)
Planned maintenance	(14,957)	(824)	(3)	(300)	(16,083)	(14,158)
Bad debts	(172)	(47)	(0)	(18)	(237)	(269)
Depreciation of housing properties	(12,589)	(2,006)	(403)	(518)	(15,517)	(15,444)
Impairment of housing properties	(211)	-	-	-	(211)	-
Operating costs on social housing lettings	**(59,018)**	**(8,619)**	**(1,243)**	**(4,008)**	**(72,887)**	**(65,045)**
Operating surplus/ (deficit) on social housing lettings	**9,382**	**4,475**	**1,242**	**1,615**	**16,714**	**21,389**
Void Losses	(633)	(306)	(6)	(75)	(1,020)	(817)

The parent does not hold any housing stock for letting

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b. Classes of accommodation in management and development

Group	2022	2021
General housing	Units	Units
- Social rent	14,402	13,756
- Affordable rent	1,374	1,226
Supported housing and housing for older people		
- Social rent	1,876	2,492
- Affordable rent	121	41
Low cost home ownership	767	693
Care Housing		
- Social rent	202	201
- Affordable rent	50	50
Total social housing units	**18,792**	**18,459**
Market rent	122	122
Other	2	2
Leasehold	643	642
Leasehold for the elderly	30	30
Total social housing owned	**19,589**	**19,255**
Non social leasehold	40	40
Total owned and managed	**19,629**	**19,295**
Accommodation in development at the year end	**91**	**389**

The parent does hold any housing stock

NOTES TO THE FINANCIAL STATEMENTS (continued

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

	Right to Buy sales	Others	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Proceeds of sales	2,385	3,446	**5,831**	2,257
Less: Cost of sales	(464)	(981)	**(1,445)**	(711)
Selling costs	(25)	(33)	**(58)**	(22)
	1,896	**2,432**	**4,327**	**1,524**

Parent	Right to Buy sales	Others	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Proceeds of sales	-	1,606	**1,606**	-
Less: Cost of sales	-	(1,606)	**(1,606)**	-
	-	**-**	**-**	**-**

5. Interest receivable and similar income

	Year Ended 31 March 2022		Year Ended 31 March 2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Interest received from current asset investments	-	-	43	-
Other loans to group undertakings	3	-	-	-
Interest receivable and similar income	**3**	**-**	**43**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

6.Interest payable and financing costs

	Year Ended 31 March 2022		Year Ended 31 March 2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Bank loans and overdraft	(16,673)	-	(17,407)	-
Loan commission and commitment fees	(23)	-	(50)	-
Loan amortisation	1,120	-	1,120	-
Renegotiation fees	(344)	-	(285)	-
Capitalised interest	494	-	223	-
Non utilisation fee	(307)	-	(347)	-
Net interest on pension liability	(798)	(157)	(557)	(73)
Interest payable and financing costs	**(16,531)**	**(157)**	**(17,303)**	**(73)**

Interest was capitalised at an average rate of 5.00% (2021: 4.54%)

7.Surplus on ordinary activities before taxation

This is arrived at after charging:	Note	Year Ended 31 March 2022		Year Ended 31 March 2021	
		Group	Parent	Group	Parent
		£'000	£'000	£'000	£'000
Depreciation:					
Housing assets		15,517	-	15,443	-
Other tangible fixed assets		858	332	1,250	257
Impairment:					
Housing assets		211	-	-	-
Other tangible fixed assets		20	-	1,308	-
Amortisation:					
Intangible assets	11	511	165	980	813
Grants		(757)	-	(699)	-
Fair value movement (gain) on investment properties		(1,151)		(884)	
Operating lease rentals	22	624	29	437	39
Auditor's Remuneration (incl. expenses excl. VAT):					
Fees for the audit of the financial statements		115	28	120	28
Fees for other services		50	6	48	7

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.Taxation

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

	Year Ended 31 March 2022			Year Ended 31 March 2021	
	Group	Parent		Group	Parent
	£'000	£'000		£'000	£'000
Surplus/ (deficit) on ordinary activities before tax	8,573	261		9,670	312
Tax on surplus on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	1,629	50		1,837	59
Effects of :					
Income not taxable in determining taxable surplus	(1,612)	(50)		(1,934)	(59)
Deferred tax not recognised		-		97	-
Adjustment to tax charge in respect of previous periods					
	17	**-**		0	**0**

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Employees

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

	Year Ended 31 March 2022		Restated Year Ended 31 March 2021	
	Group	Parent	Group	Parent
	Number	Number	Number	Number
Administration and Management	479	198	407	136
Property Services	249	205	173	137
Housing Support and Care	136	30	131	28
Other	4	4	5	5
Total	**867**	**438**	**716**	**306**

2021 full time equivalent numbers have been restated following a review of the allocations and to ensure consistency across the Group members.

Employees' costs:

	Note	Year Ended 31 March 2022		Year Ended 31 March 2021	
		Group	Parent	Group	Parent
		£000	£000	£000	£000
Wages and salaries		27,699	15,797	22,539	11,025
Social Security costs		2,478	1,564	2,042	1,120
Other pension costs	23	2,587	1,422	2,247	1,148
Total		**32,764**	**18,783**	**26,828**	**13,293**

10.Directors' emoluments

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

Below are the emoluments paid to the Board Members.

Summary of Board Members Payments	Year Ended 31 March 2022		Year Ended 31 March 2021	
	Group	Parent	Group	Parent
	£'000	**£'000**	**£'000**	**£'000**
Pay	199	199	189	189
National Insurance	3	3	6	6
Total	**202**	**202**	**195**	**195**

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Directors' emoluments (continued)

Details of Board Members Pay	31 March 2022 £'000	Member of Board Group Board	Homes Board	Property Board	Care Plus Board	Audit Committee	People Committee	HPG Finance
Board Members Pay								
A Dhillon	9	X			X			
A Burns	6					X		
C Dass	12	X					X	
C Purdy	12		X					
C Royall	9		X					
E Harrison	9		X				X	
G Evans	12	X	X				X	X
G Betts	10	X			X			
H Bowman	9		X			X		
I Farrell	9			X				
J Burt	10	X		X		X		
J Taylor	9				X			
J Pert	9		X					
J Filary	9				X	X		
K Shaw	9			X				
P Price	9				X			
R Barber	9		X					
R Bowden	11	X				X	X	X
S Jennings	18	X					X	X
V Cross	9			X		X		
Total	**199**							

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Directors' emoluments (continued)

The aggregate amount of emoluments (including benefits in kind and pension contributions) paid to or receivable by the five (2021: five) Executive Officers of the Group and of the five (2021: five) of the Parent during the year was made up as follows:

	Year Ended 31 March 2022 Group	Year Ended 31 March 2022 Parent	Year Ended 31 March 2021 Group	Year Ended 31 March 2021 Parent
	£'000	£'000	£'000	£'000
Emoluments (including Benefits in Kind)	720	720	915	915
Pension Contribution	114	114	89	89
Total	**834**	**834**	**1,004**	**1,004**

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

	Year Ended 31 March 2022 Group	Year Ended 31 March 2022 Parent	Year Ended 31 March 2021 Group	Year Ended 31 March 2021 Parent
More than £60,000 but not more than £70,000	14	12	15	8
More than £70,000 but not more than £80,000	8	6	8	5
More than £80,000 but not more than £90,000	4	4	4	4
More than £90,000 but not more than £100,000	3	3	-	-
More than £100,000 but not more than £110,000	2	2	3	3
More than £110,000 but not more than £120,000	1	1	2	2
More than £120,000 but not more than £130,000	1	1	2	2
More than £130,000 but not more than £140,000	3	3	-	-
More than £140,000 but not more than £150,000	-	-	-	-
More than £150,000 but not more than £160,000	-	-	1	1
More than £160,000 but not more than £170,000	1	1	1	1
More than £170,000 but not more than £180,000	-	-	-	-
More than £180,000 but not more than £190,000	2	2	-	-
More than £190,000 but not more than £200,000	-	-	-	-
More than £200,000 but not more than £210,000	-	-	1	1
More than £210,000 but not more than £220,000	-	-	1	1
More than £220,000 but not more than £230,000	-	-	-	-
More than £230,000 but not more than £240,000	-	-	-	-
More than £240,000 but not more than £250,000	-	-	1	1
More than £250,000 but not more than £260,000	1	1	-	-

The emoluments paid to the current Chief Executive, Mrs Sarah Boden, who was also the highest paid director, (excluding benefits in kind and pension contributions) were £222k (2021: £219k). The Chief Executive is a member of the LGPS pension scheme on an ordinary 50:50 basis, employer pension contributions were £40k (2021: £39k)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible assets and goodwill

	As at 31st March 2022			
	Group			Parent
	Software	Goodwill	Total	Software
	£'000	£'000	£'000	£'000
Cost				
At 1 April	2,154	1,550	3,704	1,804
Additions	2,096	-	2,096	1,863
Transfer from tangible fixed assets	25	-	25	
Disposals	-	-	-	(1,606)
At 31 March	**4,275**	**1,550**	**5,825**	**2,061**
Accumlated amortisation				
At 1 April	(1,404)	(167)	(1,571)	(1,054)
Charge for the year	(165)	(346)	(511)	(165)
Transfer from tangible fixed assets	(25)	-	(25)	
At 31 March	**(1,594)**	**(512)**	**(2,107)**	**(1,219)**
Net book value				
At 31 March	2,681	1,038	3,719	841
At 1 April	750	1,383	2,133	750

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Housing properties at cost

Group	As at 31 March 2022					
	Houses for Letting		Low Cost Home Ownership		Other	
	Complete for Letting	Under Construction	Complete for Letting	Under Construction		Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April	653,112	24,432	47,925	5,176	7	730,652
Additions*	13,885	30,734	48	9,154	-	53,819
Disposals	(3,556)	-	(1,373)	-	-	(4,929)
Transfer on completion	39,802	(39,687)	7,949	(7,949)	-	115
Transfer to current assets	-	-	-	(2,910)	-	(2,910)
At 31 March	**703,243**	**15,479**	**54,549**	**3,471**	**7**	**776,749**
Less accumulated depreciation and impairment						
At 1 April	(104,719)	-	(2,787)	-	-	(107,506)
Depreciation charge for year	(14,708)	-	(588)	-	-	(15,296)
Eliminated in respect of Disposals	2,434	-	58	-	-	2,491
At 31 March	**(116,993)**	**-**	**(3,317)**	**-**	**-**	**(120,310)**
Net book value						
At 31 March	586,250	15,479	51,232	3,471	7	656,439
At 1 April	548,393	24,432	45,138	5,176	7	623,146

Note: Included within 'Eliminated in respect of disposals' is accelerated depreciation of £409k (2021: £281k). Of the total additions, £10,997k relate to component replacements (2021: £4,902k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Housing properties at cost (continued)

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

Charges against properties

GROUP	As at 31 March 2022	As at 31 March 2021
Number of properties on which there is a fixed charge	16,220	15,691
Number of properties not charged	2,572	2,768
Total number of properties	**18,792**	**18,459**

Housing properties book value, net of depreciation and impairments

GROUP	As at 31 March 2022	As at 31 March 2021
	£'000	**£'000**
Freehold land and buildings	655,965	622,561
Long leasehold land and buildings	474	585
	656,439	**623,146**

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Other tangible fixed assets

GROUP	As at 31 March 2022				
	Vehicles	Furniture & Equipment	Computer Equipment &Telephones	Land & Buildings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April	647	5,548	5,210	12,209	23,614
Additions	-	247	711	393	1,351
Reclassifications	-	(100)	-	100	-
Disposals	-	-	-	(550)	(550)
Transfer to intangible assets	-	-	(25)	-	(25)
Transfer to investment properties	-	-	-	(725)	(725)
At 31 March	647	5,695	5,895	11,427	23,665
Accumulated Depreciation & Impairment					
At 1 April	(597)	(4,680)	(4,733)	(4,646)	(14,656)
Depreciation charge for year	(21)	(362)	(338)	(138)	(858)
Reclassifications	-	53	-	(53)	-
Impairment	-	-	-	(20)	(20)
Transfer to intangible assets	-	-	25	-	25
At 31 March	(618)	(4,989)	(5,046)	(4,857)	(15,509)
Net book value					
At 31 March	29	706	849	6,570	8,155
At 1 April	50	868	477	7,563	8,958

Land and buildings includes £2,235k held under long leasehold (2021 £2,235k)

NOTES TO THE FINANCIAL STATEMENTS

PARENT	As at 31 March 2022			
	Vehicles	Furniture & Equipment	Computer Equipment & Telephone	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April	243	9	2,396	2,648
Additions	-	-	710	710
At 31 March	243	9	3,106	3,358
Accumulated Depreciation & Impairment				
At 1 April	(241)	(9)	(1,924)	(2,174)
Depreciation charge for year	(1)	-	(330)	(331)
At 31 March	(242)	(9)	(2,254)	(2,505)
Net book value				
At 31 March	1	-	851	852
At 1 April	2	-	472	474

There is no charge on any of these assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Investment properties

GROUP	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
At 1 April	20,654	19,770
Additions	-	-
Transfer from other property, plant and equipment	725	-
Disposal	-	-
Net gain from fair value adjustments	1,151	884
At 31 March	**22,530**	**20,654**

All investment properties were valued as at 31st March 2022 using the valuation methodology – market value subject to tenancies (MV-STT). The valuations were performed by independent valuers with recognised and relevant qualifications (Jones Lang LaSalle). There are no restrictions on the investment property and there are no contractual obligations to purchase, construct or develop investment property.

12d. Investments in group undertakings

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

	Principal activity	Holding	%
Homes Plus	Registered Provider of social housing	Non-equity shares	100%
Housing Plus Finance Ltd	Group funding vehicle	Equity shares	100%
Property Plus (Midlands) Ltd	Property repairs and maintenance	Equity shares	100%
Care Plus Staffordshire Ltd	Care and support services	Non-equity shares	100%
Severn Homes Ltd	Developing and selling properties for outright sale	Equity shares	100%
County Town Homes Ltd	Will be dissolved 2022/23	Equity shares	100%
Development Worx	Developing of properties	Equity shares	100%

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Stocks

GROUP	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
LCHO completed properties	1,361	845
LCHO properties under construction	1,456	1,111
Total low cost home ownership	**2,817**	**1,956**
Other stocks	174	282
Land held for development	13,010	11,880
Total Inventories	**16,001**	**14,118**

Stock is held at the lower of actual cost and estimated selling price less costs to complete and sell. There have been no impairments in the year (2021: none).

16. Trade and other debtors

	As at 31 March 2022		As at 31 March 2021	
	Group	Parent	Group	Parent
Due within one year	**£'000**	**£'000**	**£'000**	**£'000**
Rent and service charges receivable	3,529	-	2,993	-
Less: Provision for bad and doubtful debts	(586)	-	(607)	-
	2,943	-	2,386	-
Care service receivable	236	-	337	-
Less: Provision for bad and doubtful debts	(2)	-	(40)	-
	233	-	297	-
Amounts due from group undertakings	-	1,396	-	787
Other debtors	2,544	33	2,214	20
Less: Provision for bad and doubtful debts	(69)	-	(11)	-
	2,475	1,429	2,203	807
Prepayments & accrued income	1,577	649	1,399	488
Taxation & social security	67	-	408	20
Total Debtors	**7,296**	**2,078**	**6,693**	**1,315**

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Creditors: Amounts falling due within one year

	As at 31 March 2022		As at 31 March 2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Loans payable within one year	(12,134)	-	(3,625)	-
Trade Creditors	(741)	(161)	(889)	(687)
Rents and service charges received in advance	(3,072)	-	(2,934)	-
Amounts owed to group undertakings	-	(516)	-	(852)
Taxation and social security	-	(2)	-	-
Other creditors	(53)	-	(32)	-
Social housing grant received in advance	-	-	(3,643)	-
Deferred grant income	(1,040)	-	(964)	-
Recycled capital grant and disposal proceeds fund	-	-	(77)	-
Accruals and deferred income	(8,985)	(1,019)	(8,928)	(982)
Accrued interest	(1,596)	-	(1,630)	-
Employees	(1,055)	(673)	(15)	(1)
Total Creditors: Amounts falling due within one year	**(28,677)**	**(2,370)**	**(22,737)**	**(2,522)**

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

	As at 31 March 2022		As at 31 March 2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Loans and Borrowings	(405,289)	-	(391,544)	-
Loan arrangement fees	1,198	-	939	-
Deferred grant income	(66,547)	-	(60,577)	-
Recycled capital grant and disposal proceeds fund	(191)	-	(299)	-
Other designated funds	(1,736)	-	(1,639)	-
Total Creditors: Amounts falling due after more than one year	**(472,566)**	**-**	**(453,120)**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Repayment of loans

Group	As at 31st March 2022		
	Bank Loans	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	11,800	334	12,134
In more than one year but not more than two years	9,500	344	9,844
In more than two years but not more than five years	91,500	1,089	92,589
In more than five years	233,500	69,357	302,857
	346,300	71,124	417,424

Group	As at 31st March 2021		
	Bank Loans	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	3,300	325	3,625
In more than one year but not more than two years	11,800	334	12,134
In more than two years but not more than five years	63,000	1,059	64,059
In moire than five years	308,536	6,815	315,351
	386,636	8,533	395,169

Security, terms of repayment and interest rates

At 31 March 2022 the Group had total facilities as detailed below of £457.0m (2021: £460.6m) with £52.5m (2021: £79.5m) remaining undrawn. £27m of additional funding was drawn from existing facilities during the year and £3.6m repaid. Loan balances as 31 March 2022 were £404.5m (2021: £381.1m). It should be noted that the Group's loan repayment schedule in note 15 includes a fair value adjustment of £12.9m (2021: £14.1m) for the SARH loans at acquisition.

The Nationwide loan is secured by properties owned by Homes Plus. The final scheduled loan repayment is due in March 2045. Of the total loan drawn of £210.3m, 56% are fixed rate loans with a weighted average interest rate of 6.11%, 38% are variable rate loans with a weighted average interest rate of 2.05% and 6% are index linked with an interest rate of 5.71%. The total Nationwide facility as at 31 March 2022 is £233.8m, with £23.5m remaining undrawn.

The Barclays loan is secured by properties owned by Homes Plus. The final scheduled loan repayment is due in March 2031. Of the total loan drawn of £48m, 52% are fixed rate loans with a weighted average interest rate of 5.75%, 48% are variable rate loans with a weighted average interest rate of 2.01%. The total Barclays facility as at 31 March 2022 is £70m, with £22m remaining undrawn.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

The £15m Revolving Credit Facility with Clydesdale Bank plc. is secured against properties owned by Homes Plus. At 1 April 2022 £8m of the facility had been utilised. The facility is repayable in full on 26 January 2023 and has a variable interest rate of 2%. £7m of the facility remains undrawn.

The Shropshire Council loans of £6.4 million and a £1.8 million are repayable in instalments, with the final scheduled loan payments due in August 2041 and June 2039 respectively.

The Shropshire Council loans are secured against properties that Homes Plus owns. The interest rates are fixed at 4.32% and 2.3%.

The £50 million Private Placement with M&G is repayable in annual instalments of £10 million between 2047 and 2051.

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

Deferred Capital Grant

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

GROUP	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Deferred capital grant at 1st April	61,541	60,949
Grants received during the year	6,274	1,188
Grants recycled from/(to) the recycled capital grant fund	185	(77)
Transfers from reserves	373	179
Releases to income during the year	(786)	(698)
Deferred capital grant at 31 March	**67,587**	**61,541**
Amounts due within one year	1,040	964
Amounts due after more than one year	66,547	60,577
Total	**67,587**	**61,541**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Recycled Capital Grant Fund

Group	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Recycled Capital Grant Fund		
Balance as at 1 April	376	401
Recycled Grant Input	-	78
Withdrawals	(185)	(103)
Balance as at 31 March	**191**	**376**
Amounts due within one year	-	77
Amounts due after more than one year	191	299
Total	**191**	**376**

19. Financial instruments

	Note	As at 31 March 2022 Group	As at 31 March 2022 Parent	As at 31 March 2021 Group	As at 31 March 2021 Parent
		£'000	£'000	£'000	£'000
Financial assets measured at historic cost					
Rent & service charge receivable	16	2,943	-	2,386	-
Care service receivable	16	233	-	297	-
Amounts owed from group undertakings	16	-	1,396	-	787
Other debtors	16	2,475	33	2,203	20
Investments in short term deposits		7	-	8	-
Cash and cash equivalents		10,429	303	13,939	727
Total Financial Assets		**16,088**	**1,732**	**18,833**	**1,534**
Financial Liabilities measured at amortised cost					
Loans	17/18	(417,424)	-	(395,169)	-
		(417,424)	**-**	**(395,169)**	**-**
Financial liabilities measured at historical cost					
Trade creditors	17	(741)	(161)	(889)	(687)
Accruals	17	(10,581)	(1,019)	(10,558)	(982)
Amounts owed to group undertakings	17	-	(516)	-	(852)
Other creditors	17	(53)	-	(32)	-
		(11,375)	**(1,695)**	**(11,479)**	**(2,521)**
Total Financial Liabilities		**(428,799)**	**(1,695)**	**(406,648)**	**(2,521)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Called up non equity share capital

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

Parent	2022	2021
	£	£
As at 1 April	6	6
Shares issued during the financial period	-	-
As at 31 March	**6**	**6**

21. Capital commitments

The following describes the way the Group funds development:

	2022		2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Expenditure contracted but not provided in the financial statements	33,060	-	43,974	-
Expenditure authorised by the Board but not contracted	99,278	-	114,192	-
Total capital commitments	**132,338**	**-**	**158,166**	**-**

The expenditure will be funded as follows:

Group	2022	2021
	£'000	£'000
Loans and reserves	90,027	108,097
Social housing grant	10,029	16,137
Forecast sales	32,282	33,932
Total gross expenditure	**132,338**	**158,166**

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Leases

Operating leases

At 31 March 2022 the total of future minimum lease payments under non-cancellable operating leases for each of the following periods was:

	2022		2021	
	Group	Parent	Group	Parent
	£'000	£'000	£'000	£'000
Leases for vehicles:				
Not later than one year	572	-	188	-
Later than one year and not later than five years	553	-	-	-
Leases for buildings:				
Not later than one year	-	-	29	-
Later than one year and not later than five years	-	-	7	-
Leases for equipment:				
Not later than one year	52	29	76	39
Later than one year and not later than five years	153	131	74	59
	1,330	**159**	**374**	**98**

The expenditure charged in the Statement of Comprehensive Income during the year in relation to minimum lease payments was £624k for the Group (2021: £437k) and £29k for the Parent (2021: £39k).

Finance leases and hire purchase

The group had no obligations under finance leases or hire purchase agreements as at 31 March 2022 (2021: None)

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions

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

a) Staffordshire County Council Scheme

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

The Group participates in three schemes with Staffordshire, one scheme within the Group is showing a surplus, the Group has not recognised the surplus in that scheme.

The organisations' net liabilities can be summarised as:

	2022			2021		
	Parent	Homes Plus	Group	Parent	Homes Plus	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	36,223	57,803	94,026	31,302	52,193	83,495
Present value of defined benefit obligations	(36,951)	(63,889)	(100,840)	(37,702)	(67,289)	(104,991)
Provision at end of period	**(728)**	**(6,086)**	**(6,814)**	**(6,400)**	**(15,096)**	**(21,496)**

Assumptions as at	**2022**	**2021**
	%p.a.	%p.a.
Salary increases	3.20%	3.30%
Pension increases	3.70%	2.80%
Discount rate	2.80%	2.00%

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

	Males	**Females**
Current Pensioners	21.0 years	23.6 years
Future Pensioners*	21.8 years	25.0 years

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Categories of plan assets as a % of total plan assets	2022	2021
	%	%
Equities	71	72
Bonds	17	19
Property	8	8
Cash	4	1

Information about defined benefit obligation	2022		2021	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Active members	24,764	48,868	24,611	49,164
Deferred members	6,671	26,227	7,207	28,355
Pensioner members	5,516	25,682	5,884	27,406
Unfunded obligations	-	63	-	66
Closing Liabilities	**36,951**	**100,840**	**37,702**	**104,991**

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

Net pension liability	2022		2021	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Fair value of employer assets	36,223	94,026	31,302	83,495
Present value of scheme liabilities	(36,951)	(100,161)	(37,702)	(104,925)
Surplus restricted to nil*	-	(616)	-	-
Surplus/ (deficits)	(728)	(6,751)	(6,400)	(21,430)
Present value of unfunded liabilities	0	(63)	0	(66)
Net pension (liability)	**(728)**	**(6,814)**	**(6,400)**	**(21,496)**

* We have elected to cap a surplus (£616,000) on the asset celling of one scheme within a subsidiary to nil on the grounds of materiality, there is a potential to recognise the surplus but we have not done so as it was not material to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2022		2021	
	Parent	Group	Parent	Group
Amount charged to operating surplus	**£'000**	**£'000**	**£'000**	**£'000**
Current service cost*	(1,864)	(2,690)	(1,127)	(1,844)
Total operating charge	(1,864)	(2,690)	(1,127)	(1,844)
Amount charged to financing costs				
Interest income on plan assets	636	1,672	557	1,504
Interest cost on defined benefit obligation	(772)	(2,113)	(623)	(1,809)
Total net interest	(136)	(441)	(66)	(305)
Total defined benefit cost recognised in surplus for the year	**(2,000)**	**(3,131)**	**(1,193)**	**(2,149)**

* The Service Cost figures include an allowance for administration expenses of 0.6% of payroll.

Re-measurements recognised in Other Comprehensive Income	2022		2021	
	Parent	Group	Parent	Group
	£'000	**£'000**	**£'000**	**£'000**
Change in financial assumptions	3,538	8,818	9,882	25,452
Change in demographic assumptions	(82)	(254)	(189)	(527)
Other experience	(93)	(254)	(272)	(797)
Surplus restricted to nil	-	(616)	-	-
Return on assets (excluding amounts included in net interest)	3,228	8,490	(6,017)	(16,265)
Total re-measurements recognised in Other Comprehensive Income	**6,591**	**16,184**	**3,404**	**7,863**

Reconciliation of defined benefit obligation	2022		2021	
	Parent	Group	Parent	Group
	£'000	**£'000**	**£'000**	**£'000**
Opening defined benefit obligation	**37,702**	**104,991**	**26,527**	**78,298**
Current service cost	1,864	2,690	1,127	1,844
Past service cost	-	-	-	-
Interest cost	772	2,113	623	1,809
Contributions from members	329	438	295	439
Actuarial losses/ (gains)	(3,363)	(7,694)	9,421	24,128
Estimated unfunded benefits paid	-	(3)	-	(3)
Estimated benefits paid	(353)	(1,695)	(291)	(1,524)
Closing defined benefit obligation	**36,951**	**100,840**	**37,702**	**104,991**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Reconciliation of fair value of employer assets	2022		2021	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Opening fair value of employer assets	**31,302**	**83,495**	**23,710**	**65,085**
Expected return on assets	3,228	8,490	6,017	16,265
Interest income on plan assets	636	1,672	557	1,504
Contributions from members	329	438	295	439
Contributions from employer	1,081	1,626	1,014	1,726
Contributions in respect of unfunded benefits	-	3	-	3
Unfunded benefits paid	-	(3)	-	(3)
Benefits paid	**(353)**	**(1,695)**	**(291)**	**(1,524)**
Closing fair value of employer assets	**36,223**	**94,026**	**31,302**	**83,495**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

b) Shropshire County Council Scheme

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

The disclosures necessary in respect of FRS102 are shown in various tables below. The actuary has estimated that the net pension asset/liability as at 31 March 2022 is a liability of £9,709,000 (2021: £14,625,000).

Assumptions	**2022**	**2021**
	%p.a.	%p.a.
Salary increases	3.70%	3.30%
Pension increases	3.20%	2.80%
Discount rate	2.80%	2.00%

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

	Males	Females
Current Pensioners	22.7 years	24.9 years
Future Pensioners*	23.6 years	26.2 years

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

Categories of plan assets as a % of total plan assets	**2022**	**2021**
	%	**%**
Equities	50	50
Bonds	19	21
Property	4	4
Alternatives	25	24
Cash	2	1

Net pension liability	**2022**	**2021**
	£'000	**£'000**
Fair value of employer assets	45,082	42,681
Present value of funded obligations	(54,520)	(57,017)
Net (under)funding in funded plans	(9,438)	(14,336)
Present value of unfunded liabilities	(271)	(289)
Net pension (liability)	**(9,709)**	**(14,625)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

b) Shropshire County Council Scheme (continued)

Amount charged to operating surplus	2022	2021
	£'000	**£'000**
Current service cost*	(720)	(529)
Past service cost	-	-
Administration expense	(11)	(11)
Effects of curtailments	-	-
Total operating charge	(731)	(540)
Amount charged to financing costs		
Interest income on plan assets	848	829
Interest cost on defined benefit obligation	(1,137)	(1,058)
Total net interest	(289)	(229)
Total defined benefit cost recognised in surplus for the year	**(1,020)**	**(769)**

Re-measurements recognised in Other Comprehensive Income	2022	2021
	£'000	£'000
Change in financial assumptions	3,560	(10,507)
Change in demographic assumptions	(247)	70
Other experience	-	-
Return on assets (excluding amounts included in net interest)	2,142	6,280
Total re-measurements recognised in Other Comprehensive Income	**5,455**	**(4,157)**

Reconciliation of defined benefit obligation	2022	2021
	£'000	**£'000**
Opening defined benefit obligation	**57,306**	**46,664**
Current service cost	720	529
Past service cost	-	-
Interest cost	1,137	1,058
Contributions from members	125	128
Actuarial losses/ (gains)	(3,313)	10,437
Result on curtailments	-	-
Estimated benefits paid	(1,184)	(1,510)
Closing defined benefit obligation	**54,791**	**57,306**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

b) Shropshire County Council Scheme (continued)

Reconciliation of fair value of employer assets	2022	2021
	£'000	£'000
Opening fair value of employer assets	**42,681**	**36,477**
Expected return on assets	2,142	6,280
Interest income on plan assets	848	829
Contributions from members	125	128
Contributions from employer	481	488
Administration expenses	(11)	(11)
Unfunded benefits paid	-	-
Benefits paid	(1,184)	(1,510)
Closing fair value of employer assets	**45,082**	**42,681**

History of gains and losses	2022	2021
	£'000	£'000
Fair value of employer assets	45,082	42,681
Present value of defined benefit obligations	(54,791)	(57,306)
Deficit	**(9,709)**	**(14,625)**

c) Housing Plus Pension Scheme

The Association participates in the Housing Plus Pension Scheme which is a defined benefit Scheme in the UK. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). The Scheme holds the pension scheme assets to meet long term pension liabilities. Scheme liabilities at 31 March 2022 were based on data used to calculate the amount of assets to be transferred on 31 October 2018, updated by a qualified actuary, independent of the Association. The major assumptions used by the actuary are shown below.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue. We have been informed the maximum potential liability would be £1000,000 for the Group (Parent £30,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

c) Housing Plus Pension Scheme

Assumptions	2022	2021
	%p.a.	%p.a.
Discount rate	2.80%	2.00%
Inflation (RPI)	3.60%	3.20%
Inflation (CPI)	3.20%	2.80%
Deferred revaluation	3.60%	3.20%
Pension increases		
- CPI max 5% p.a.	3.05%	2.75%
- CPI max 3% p.a.	2.40%	2.20%

Demographic assumptions as at	2022	2021
Mortality		
Base Tables	Pre retirement: nil Post retirement: 111% of S2PXA	Pre retirement: nil Post retirement: 111% of S2PXA
Improvement allowance	CMI_2021 (1.25%) for males CMI_2021 (1.25%) for females	CMI_2020 (1.25%) for males CMI_2020 (1.25%) for females
Smoothing parameter	7.5	7.0
Life expectancy from age 65		
Pensioners years (currently aged 65)	Male: 21.4 Female :23.7	Male: 21.1 Female :23.4
Non-pensioners years (currently aged 65)	Male: 22.6 Female: 25.1	Male: 22.3 Female: 24.9
Commutation	90% of maximum allowance	90% of maximum allowance
Other demographic assumptions	As per most recent Technical Provisions assumptions	As per most recent Technical Provisions assumptions

Demographic assumptions as at	**2022**	**2021**
Mortality		
Base Tables	Pre retirement: nil Post retirement: 111% of S2PXA	Pre retirement: nil Post retirement: 111% of S2PXA
Improvement allowance	CMI_2021 (1.25%) for males CMI_2021 (1.25%) for females	CMI_2020 (1.25%) for males CMI_2020 (1.25%) for females
Smoothing parameter	7.5	7.0
Life expectancy from age 65		
Pensioners years (currently aged 65)	Male: 21.4 Female :23.7	Male: 21.1 Female :23.4
Non-pensioners years (currently aged 65)	Male: 22.6 Female: 25.1	Male: 22.3 Female: 24.9
Commutation	90% of maximum allowance	90% of maximum allowance
Other demographic assumptions	As per most recent Technical Provisions assumptions	As per most recent Technical Provisions assumptions

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Categories of plan assets	2022 Parent	2022 Group	2021 Parent	2021 Group
	£'000	£'000	£'000	£'000
Equities	593	1,955	412	1,358
Bonds	1,619	5,337	1,620	5,340
Property	176	579	124	408
Other	1,107	3,648	977	3,218
Total market value of assets	**3,495**	**11,519**	**3,133**	**10,324**

Net pension liability	2022 Parent	2022 Group	2021 Parent	2021 Group
	£’000	£’000	£’000	£’000
Fair value of employer assets	3,495	11,519	3,133	10,324
Present value of scheme liabilities	(3,941)	(12,988)	(4,279)	(14,103)
Surplus/ (deficits)	(446)	(1,469)	(1,146)	(3,779)
Effect of asset celling	-	-	-	-
Net pension (liability)	**(446)**	**(1,469)**	**(1,146)**	**(3,779)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pensions (continued)

c) Housing Plus Pension Scheme (continued)

	2022		2021	
	Parent	Group	Parent	Group
Amount charged to operating surplus	**£'000**	**£'000**	**£'000**	**£'000**
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Administration expense	(24)	(79)	(24)	(79)
Settlement losses/ (gains)	-	-	-	-
Total operating charge	(24)	(79)	(24)	(79)
Amount charged to financing costs				
Interest income on plan assets	64	212	64	211
Interest cost on defined benefit obligation	(85)	(280)	(71)	(234)
Total net interest	(21)	(68)	(7)	(23)
Total defined benefit cost recognised in surplus for the year	**(45)**	**(147)**	**(31)**	**(102)**

	2022		2021	
Re-measurements recognised in Other Comprehensive Income	**Parent**	**Group**	**Parent**	**Group**
	£'000	£'000	£'000	£'000
Change in financial assumptions	533	1,757	(955)	(3,146)
Change in demographic assumptions	(14)	(45)	(236)	(779)
Other experience	(165)	(544)	39	129
Return on assets (excluding amounts included in net interest)	127	420	201	662
Total re-measurements recognised in Other Comprehensive Income	**481**	**1,588**	**(951)**	**(3,134)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Reconciliation of defined benefit obligation	2022 Parent	2022 Group	2021 Parent	2021 Group
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	**(1,147)**	**(3,779)**	**(400)**	**(1,317)**
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest cost	(21)	(68)	(7)	(23)
Expenses	(24)	(79)	(24)	(79)
Re-measurements included in other comprehensive income	481	1,588	(951)	(3,134)
Employer contribution	264	869	235	774
Estimated benefits paid	-	-	-	-
Closing defined benefit obligation	**(447)**	**(1,469)**	**(1,147)**	**(3,779)**

Change in liabilities during the year	2022 Parent	2022 Group	2021 Parent	2021 Group
	£'000	£'000	£'000	£'000
Opening liabilities	**4279**	**14103**	**3106**	**10238**
Interest cost on defined benefit obligations	85	280	71	234
Benefits paid	(69)	(227)	(50)	(165)
Actuarial (gain)/ loss on changes in assumptions	(519)	(1,712)	1,191	3,925
Experience (gain)/ loss on liabilities	165	544	(39)	(129)
Closing Liabilities	**3,941**	**12,988**	**4,279**	**14,103**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Reconciliation of fair value of employer assets	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Opening fair value of employer assets	**3,133**	**10,324**	**2,707**	**8,921**
Expected return on assets	127	420	201	662
Interest income on plan assets	64	212	64	211
Contributions from members	-	-	-	-
Contributions from employer	264	869	235	774
Administration expenses	(24)	(79)	(24)	(79)
Unfunded benefits paid	-	-	-	-
Benefits paid	(69)	(227)	(50)	(165)
Closing fair value of employer assets	**3,495**	**11,519**	**3,133**	**10,324**

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pension liability

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

	Staffordshire LGPS	Shropshire LGPS	HPPS	Total
	£'000	£'000	£'000	£'000
At 1 April 2021	(21,496)	(14,625)	(3,779)	(39,900)
Additions/(reductions) dealt within surplus/deficit	(1,061)	(250)	790	(521)
Additions/(reductions) dealt within other comprehensive income	16,184	5,455	1,588	23,227
Interest costs	(441)	(289)	(68)	(798)
At 31 March 2022	**(6,814)**	**(9,709)**	**(1,469)**	**(17,992)**

The Parent had the following liabilities during the year:

	Staffordshire LGPS	HPPS	Total
	£'000	£'000	£'000
At 1 April 2021	(6,400)	(1,147)	(7,547)
Additions/(reductions) dealt within surplus/deficit	(783)	241	(542)
Additions/(reductions) dealt within other comprehensive income	6,591	481	7,072
Interest costs	(136)	(21)	(157)
At 31 March 2022	**(728)**	**(446)**	**(1,174)**

Pension liability – LGPS

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

The association acknowledges that a ruling has been made regarding age discrimination arising from public sector pension scheme transition arrangements. Court of Appeal judgements were made in cases affecting judges pensions (e.g. McCloud) and firefighter pensions (e.g. Sergeant) which had previously been considered by employment tribunals. The rulings have implications for the LGPS, Police and Fire schemes since similar reforms were implemented.

The final situation in terms of employer pension liabilities and financial impact is not clear, since the government may appeal and any remediation process, including cost cap considerations, may affect the resolution and financial impact for entities. Timescales for the resolution of this matter may be lengthy.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pension liability (continued)

Pension liability – LGPS (continued)

The association has sought advice from the scheme actuary to assess the potential impact the judgement could have upon the scheme should the ruling apply to the scheme. As this figure is not deemed to be material to the financial statements, no adjustment has been made.

Pension liability – HPPS

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

25. Restricted reserves

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

GROUP	Year Ended 31 March 2022	Year Ended 31 March 2021
	£'000	£'000
Surplus for the year	**8,574**	**9,670**
Adjustments for non cash items:		
Amortisation	(1,366)	(839)
Depreciation & Impairment	13,740	17,777
(Increase) in stock	(4,039)	(766)
(Increase) in trade and other debtors	(944)	(832)
(Decrease) in trade and other creditors	(246)	(184)
Pension costs less contributions payable	1,323	29
Valuation Movements	(1,151)	(884)
Movement in sinking fund	96	533
Non cash amount of tangible fixed asset disposals	3,916	78
	11,327	14,912
Adjustments for investing or financing activities:		
Surplus from the sale of tangible fixed assets	(4,327)	(1,524)
Government grants utilised in the year	-	-
Interest payable	15,733	16,746
Interest received	(3)	(43)
	11,402	15,179
Cash flow from operations	**31,303**	**39,761**

25. Analysis of changes in net debt during year

GROUP	Year Ended 31 March 2022	Cash Flow	Year Ended 31 March 2021
	£'000	£'000	£'000
Cash at bank and in hand	10,429	(3,510)	13,939
Short Term Deposits	7	-	8
	10,436	(3,510)	13,947
Housing loans due within one year	(12,134)	(8,509)	(3,625)
Housing loans due after one year	(405,289)	(13,745)	(391,544)
Loan arrangement fees	1,198	258	939
Total changes in net debt	**(405,790)**	**(25,506)**	**(380,283)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Related party transactions

Transactions with non-regulated members of the Group

	2022 - Parent					
	Care Plus	Property Plus Ltd	Severn Homes Ltd	SSHA Developments	Development Worx	County Town Homes
	£'000	£'000	£'000	£'000	£'000	£'000
Inflow						
Services provided	812	12,683	41	-	50	
Total	**812**	**12,683**	**41**	**-**	**50**	**-**
Outflow						
Services received	1,029	-	-			
Total	**1,029**	**-**	**-**	**-**	**-**	**-**

	2021 - Parent					
	Care Plus	Property Plus Ltd	Severn Homes Ltd	SSHA Developments	Development Worx	County Town Homes
	£'000	£'000	£'000	£'000	£'000	£'000
Inflow						
Services provided	648	8,689	81	6	113	7
Total	**648**	**8,689**	**81**	**6**	**113**	**7**
Outflow						
Services received	59	69	11	1	-	
Total	**59**	**69**	**11**	**1**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Related party transactions (continued)

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

	Parent	
	2022	2021
	£'000	£'000
Care Plus	84	(4)
Property Plus	(36)	806
Severn Homes	24	(3)
SSHA Developments	-	6
Development Worx	-	20
County Town Homes	-	7
Total	**72**	**832**