

Co-operative and Community Benefit Society (FCA) No 23202R

Regulator of Social Housing No SL3224

Plumlife Homes Limited

Report and Financial Statements

For the Year ended 31 March 2021

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

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PLUMLIFE HOMES LIMITED
Year ended 31 March 2021
ASSOCIATION INFORMATION

Board

Chair	A. Davison
Deputy Chair	J. Rayner
Other Members	C. Amyes
	C. Cashman
	J. Fitzgerald (to 17 September 2020)
	J. Green
	M. Hanson
	M. Harrison
	M. Jones (from 1 April 2020)
	B. Nevin (to 17 September 2020)
	G. Page (from 1 April 2020)
	D. Robinson

Executive Directors

Chief Executive	M. Harrison
Executive Director of Finance and Company Secretary	P. Elvy
Executive Director of Growth and Assets	P. Bojar
Executive Director of Customer Services	G. Cresswell
Executive Director of People and Culture	A. Dean
Transitional Managing Director - Equity Region	A. Oldale (from 1 April 2020 to 30 September 2020)

Registered office: 2a Derwent Avenue
Manchester
M21 7QP

Website: www.greatplaces.org.uk
www.plumlife.co.uk

Registered Numbers: Regulator of Social Housing No: SL3224
Co-operative and Community Benefit Society No: 23202R

External Auditors:

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Internal Auditors:

PwC
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Bankers:

The Royal Bank of Scotland plc
St Ann's Street
St Ann's Square
Manchester
M60 2SS

The Board presents its report and the audited financial statements for the year ended 31 March 2021.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

REPORT OF THE BOARD

Principal activities

Plumlife Homes Limited's ("the Association") principal activities include the management of shared ownership and rent to homebuy properties for Great Places Housing Group ("the Group") and management of leasehold and private housing schemes.

Business review

The surplus after tax for the year ended 31 March 2021 was £682k (2020: £918k). At the year-end revenue reserves amounted to £2,817k (2020: £2,715k).

Staircasing (sale of equity tranches in properties) sales activity has been quite slow this year with only two staircasings taking place, yielding a net gain on disposal of £59k (2020: £183k).

In respect of the year ended 31 March 2021 a gift aid payment of £580k (2020: £750k) was made on 31 March 2021 to Great Places Housing Association ("GPHA").

Housing property assets

Details of changes to the Association's property assets are shown in note 12 of the financial statements.

Donations

During the year ended 31 March 2021 the Association made no political contributions and any charitable donations were made during the course of its ordinary activities (2020: nil).

Post balance sheet events

There have been no events since the year-end that have had a significant effect on the Association's financial position.

Equality, diversity and inclusion

The Association has, and continually reappraises, a full and comprehensive policy of equality, diversity and inclusion.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Association has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

Board members and executive directors

The Board members and the executive directors of the Association that have served during the period from 1 April 2020 up to the date these statements have been signed are set out on page 3 of these financial statements. Insurance policies indemnify the Board members and officers against liability when acting for the Association and wider Group.

Internal Control and risk management

The Association's internal control and risk management is undertaken as part of the Group which are detailed in the group financial statements and are available at <https://www.greatplaces.org.uk/about-us>.

Strategic Report

The Association has decided not to include a Strategic Report, on the basis that a Group Strategic Report has been included in the financial statements of its parent company Great Places Housing Group Limited.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

REPORT OF THE BOARD (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. In particular, assurance is provided by the Association's latest Business Plan including sensitivity analyses and stress testing which demonstrates that the Association has sufficient rental income to cover its expenditure.

Therefore the Board continues to adopt the going concern basis in the financial statements.

Annual general meeting (AGM)

The AGM will be held on 16 September 2021.

External auditors

We will be re-appointing BDO as external auditors at the AGM on 16 September 2021, however we will also retender for the external audit service during this time. The successful party will then be appointed as external auditors at the conclusion of the re-procurement process.

Statement of compliance

In preparing this Board report, the Board has complied with the Regulator of Social Housing's Governance and Financial Viability Standard as set out in the Accounting Direction 2019.

Statement of the responsibilities of the Board for the report and financial statements

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

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time, the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

REPORT OF THE BOARD (continued)

Statement of the responsibilities of the Board for the report and financial statements (continued)

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In so far as each of the Board members is aware:

- There is no relevant audit information of which the Association's auditors are unaware; and
- The Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The report of the Board was approved by the Board on 24 August 2021 and signed on its behalf by:



P. Elvy

Company Secretary

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance 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.

We have audited the financial statements of Plumlife Homes Limited ("the Association") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED (Continued)

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the Statement of the responsibilities of the board, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED (Continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Association, and the sector in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and improper revenue recognition.

Our audit procedures in response to the risks identified above included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the following:
 - whether there are indicators of impairment of tangible assets;
 - the useful economic lives of tangible fixed assets; and
 - recoverability of receivable balances outstanding at the year end.
- Substantive testing to confirm the existence of revenue and testing to ensure revenue has been recognised in the correct period;
- identifying and testing journal entries identified as potentially unusual, in particular considering whether there are any journal entries posted by staff members with privileged access rights or key management;
- discussions with, and enquiries of, management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- review of relevant registers such as those associated with risk and fraud;
- a review of minutes of meetings of those charged with governance both during the period, and post year end;
- considering internal audit findings; and
- considering whether there is any correspondence with HMRC and the Regulator of Social Housing.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED (Continued)

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

Use of our report

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

DocuSigned by:
Julien Rye
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BDO LLP

Statutory Auditor

Manchester, UK

Date: 03 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

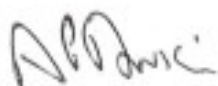
STATEMENT OF COMPREHENSIVE INCOME

	Note	2021 £'000s	2020 £'000s
Turnover	4	4,496	4,370
Operating costs	4	(3,817)	(3,621)
Surplus on sale of fixed assets – housing properties	5	59	183
Operating surplus	6	738	932
Interest receivable	7	2	25
Interest and financing costs	8	(42)	(8)
Surplus on ordinary activities before taxation		698	949
Tax on surplus on ordinary activities	9	(16)	(31)
Surplus for the year and total comprehensive income		682	918

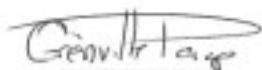
All amounts relate to continuing activities.

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 24 August 2021 and signed on its behalf by:



A. Davison
Board member



G. Page
Board member



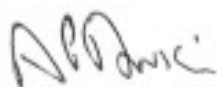
P. Elvy
Secretary

PLUMLIFE HOMES LIMITED
Year ended 31 March 2021
STATEMENT OF FINANCIAL POSITION

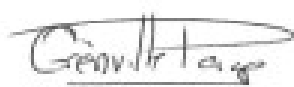
	Note	2021 £'000	2020 £'000
Tangible fixed assets			
Housing properties at cost	12	2,888	2,928
Depreciation	12	(520)	(502)
		<u>2,368</u>	<u>2,426</u>
Current assets			
Debtors	13	882	1,494
Cash at bank and in hand		5,215	4,141
		<u>6,097</u>	<u>5,635</u>
Creditors: Amounts falling due within one year	14	(4,079)	(3,680)
Net current assets		<u>2,018</u>	<u>1,955</u>
Total assets less current liabilities		<u>4,386</u>	<u>4,381</u>
Creditors: Amounts falling due after one year	20	(1,569)	(1,666)
Net assets		<u>2,817</u>	<u>2,715</u>
Capital and reserves			
Non-equity share capital	20	-	-
Revenue reserves		2,817	2,715
Association's funds		<u>2,817</u>	<u>2,715</u>

The accompanying notes on pages 14 to 27 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 24 August 2021 and signed on its behalf by:



A. Davison
Board member



G. Page
Board member



P. Elvy
Secretary

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

STATEMENT OF CHANGES IN RESERVES

	Share capital	Revenue reserve	Total
	£'000	£'000	£'000
As at 1 April 2019	-	2,547	2,547
Surplus for the year and total comprehensive income	-	918	918
Gift aid payment	-	(750)	(750)
As at 31 March 2020	-	2,715	2,715
Surplus for the year and total comprehensive income	-	682	682
Gift aid payment	-	(580)	(580)
As at 31 March 2021	-	2,817	2,817

The accompanying notes on pages 14 to 27 form part of these financial statements.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider.

2. Accounting policies

The principal accounting policies are detailed below and they have all been applied consistently throughout the year.

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for the Association included the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBEs.

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 11 Basic Financial Instruments; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the Group Limited as at 31 March 2021 and these financial statements and are available at <https://www.greatplaces.org.uk/about-us>.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Association management to exercise judgement in applying the Association's accounting policies.

Turnover

Income is measured at the fair value of the consideration received or receivable. The Association generates the following material income streams: Management fees from managing properties on behalf of others; Rental income receivable (after deducting lost rent from void properties available for letting); Service charge receivable; and other marketing and letting activities.

Grants in respect of revenue expenditure are credited to the income statement when the conditions for receipt of agreed grant funding are met. Capital grant is released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Management fees receivable are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. In particular, assurance is provided by the Association's latest Business Plan including sensitivity analyses and stress testing which demonstrates that the Association has sufficient rental income to cover its expenditure.

Tax

Current tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred Tax

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

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

Value Added Tax (VAT)

The Association is VAT registered as part of the Group VAT registration. A large proportion of its income, rents and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Service charges

The Association has both fixed and variable service charges for its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received is included in creditors.

Interest

Interest receivable and payable is recorded in the Statement of Comprehensive Income in the year on an accruals basis.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

Housing properties

Housing properties are principally properties which are available for rent and are stated at cost less depreciation and impairment. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Association disposes of a long lease on low cost home ownership units for a share ranging between 35% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. The remaining element, is classed as Property, Plant and Equipment and included in completed housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Donated land

Land donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation and an amount equivalent to the increase in value between market value and cost is added to other grants and recognised in the balance sheet as a liability. Where the donation is from a non-public source, the value of the donation is included as income.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation of buildings is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost, at a rate of 1% - 2% per annum.

Properties held under leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Impairment

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed to see if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the Association. Any such write down is charged before arriving at operating surplus.

Debtors

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

Recoverable amount of rental and other trade receivables

The Association estimates the recoverable amount of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

The Association has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate. The association has reviewed its social housing rent arrears where a formal repayment schedule is in place and has determined that the net book value adjustment for these arrangements are not material so no adjustment has been made for these other than any bad debt provision provided.

Creditors

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Government grants

Grant received in relation to housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the assets for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where social housing grant ("SHG") funded property is sold, the grant become recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the statement of comprehensive income. Grants due from government organisations or received in advance are included as current assets or liabilities.

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Association has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historic cost. Loans that are payable within one year are not discounted.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

Pensions

The Association transferred all employees to Great Places Housing Association on 1 March 2021 and therefore no longer participates in any pension scheme.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. We have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value - Social Housing (EUV-SH) or depreciated replacement cost.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.
- The amount of rental 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.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

4(a) - Particulars of turnover, cost of sales, operating costs and operating surplus

	Turnover	Operating costs	2021 Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 4 b)	1,789	(1,676)	113
Other social housing activities			
Managed properties	1,783	(1,323)	460
Marketing income	713	(645)	68
Other	-	-	-
	2,496	(1,968)	528
Non-social housing activities			
Commercial property income	31	(2)	29
Other non-social income	180	(171)	9
	211	(173)	38
Surplus on sale of fixed assets (note 5)			59
	4,496	(3,817)	738
	Turnover	Operating costs	2020 Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 4 b)	938	(652)	286
Other social housing activities			
Managed properties	2,589	(2,218)	371
Marketing income	737	(668)	69
Other	78	(54)	24
	3,404	(2,940)	464
Non-social housing activities			
Commercial property income	28	(29)	(1)
Other non-social income	-	-	-
	28	(29)	(1)
Surplus on disposal of fixed assets (note 5)			183
	4,370	(3,621)	932

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

4 (b) - Particulars of income and expenditure from social housing lettings

The turnover, operating expenditure and surplus from social housing lettings can be broken down further, as follows:

	General needs housing £'000	Shared ownership £'000	Total 2021 £'000	Total 2020 £'000
Rent receivable net of identifiable service charges	441	672	1,113	662
Service charge income	85	407	492	224
Amortisation of government grants	-	20	20	20
Other income	54	110	164	32
Turnover from social housing lettings	580	1,209	1,789	938
Management	(361)	(745)	(1,106)	(327)
Services charge costs	(118)	(357)	(475)	(268)
Routine maintenance	(22)	(43)	(65)	(21)
Bad debts	(4)	(2)	(6)	(11)
Depreciation of housing properties	-	(24)	(24)	(25)
Operating expenditure on social housing lettings	(505)	(1,171)	(1,676)	(652)
Operating surplus on social housing lettings	75	38	113	286
Void losses	(25)	(14)	(39)	(3)

5. Surplus on sale of fixed assets – housing properties

	2021 £'000	2020 £'000
Disposal proceeds (net of costs)	100	299
Carrying value of fixed assets	(16)	(53)
	84	246
Capital grant recycled (Note 18)	(25)	(63)
	59	183

6. Operating surplus

This is arrived at after charging:

	2021 £'000	2020 £'000
Depreciation of housing properties	24	25
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	6	6
-for other services relating to taxation	-	2

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Interest receivable and other income

	2021	2020
	£'000	£'000
Interest receivable and similar income	2	25
	2	25

8. Interest payable and financing costs

	2021	2020
	£'000	£'000
Loans and bank overdrafts	42	8
	42	8

9. Tax on surplus on ordinary activities

	2021	2020
	£'000	£'000
Current tax charge for the year	24	38
Current tax adjustment in respect of prior years	(8)	(7)
UK corporation tax charge/(credit) for year	16	31

Tax reconciliation

Surplus before tax	698	949
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Tax on profit on ordinary activities at standard CT rate of 19.00% (2020: 19%)	133	180
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Effects of:

Fixed asset differences	(6)	-
Expenses not deductible for tax purposes	1	-
Income not taxable for tax purposes	(4)	-
Chargeable gains/(losses)	10	-
Adjustments to tax charge in respect of previous periods	(8)	(6)
Gift Aid payments	(110)	(143)
Tax charge/(credit) for period	16	31

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Gift aid

	2021	2020
	£'000	£'000
Paid to Great Places Housing Association	580	750
	580	750

Gift aid was paid to a group company, Great Places Housing Association.

11. Directors and members

The non-executive directors of the Association and the senior executive officer are the members of the Board. The senior executive officer who served during the year was an employee of the Group and there were no emoluments paid to him by the Association. The senior executive officer's emoluments are disclosed in the Group accounts. No emoluments were paid by the Association to members of the Board during the year (2020: £nil).

12. Tangible fixed assets – housing properties

	Shared ownership properties
	£'000
Cost	
As at 1 April 2020	2,928
Disposals	(40)
As at 31 March 2021	2,888
Depreciation and impairment	
As at 1 April 2020	502
Charged in year	24
Released on disposal	(6)
As at 31 March 2021	520
Net book value as at 31 March 2021	2,368
Net book value as at 31 March 2020	2,426

Housing properties book value, net of depreciation

	2021	2020
	£'000	£'000
Freehold land and buildings	1,872	1,926
Long leasehold land and buildings	496	500
	2,368	2,426

PLUMLIFE HOMES LIMITED**Year ended 31 March 2021****NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Debtors**

	2021	2020
	£'000	£'000
Rent and service charges receivable	269	230
Provision for bad and doubtful debts	(84)	(83)
	<hr/> 185	<hr/> 147
Due from group undertakings	2	799
Trade debtors	32	97
Other debtors	635	437
Prepayments and accrued income	28	14
	<hr/> 882	<hr/> 1,494

14. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Debt (note 16)	-	5
Trade creditors	-	60
Rent and service charges received in advance	133	144
Amounts owed to group undertakings	96	-
Leaseholder sinking funds	3,256	2,912
Corporation tax	16	33
Taxation and social security	15	13
Other creditors	468	304
Deferred capital grant (note 17)	16	20
Accruals and deferred income	79	189
	<hr/> 4,079	<hr/> 3,680

Leaseholder sinking funds are specifically held in trust for leaseholders to cover anticipated future expenditure in relation to their sinking fund liabilities.

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

	2021	2020
	£'000	£'000
Debt (note 16)	-	61
Deferred capital grant (note 17)	1,569	1,605
	<hr/> 1,569	<hr/> 1,666

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)**16. Debt**

All loans have been repaid during the financial year.

Statement of net debt

	2021	2020
	£'000	£'000
Cash and cash equivalents	5,217	4,141
Debt	-	(66)
Net funds	5,217	4,075

Reconciliation of net debt

	2021
	£'000
Net funds at beginning of year	4,075
(Decrease)/increase in cash and bank overdrafts	1,076
Repayment of existing debt	66
Net funds	5,217

17. Deferred capital grant

	2021	2020
	£'000	£'000
Total grant at start of period	2,010	2,074
Grants recycled in the year	(25)	(63)
Grants disposed in the year	-	(1)
Total grant at end of period	1,985	2,010
Total amortisation at start of period	(385)	(377)
Released to income in the period - social housing	(20)	(20)
Released on disposal	5	12
Total amortisation at end of period	(400)	(385)
Net book value at end of period	1,585	1,625
Net book value at start of period	1,625	1,697
Of which:		
Due within one year	16	20
Due greater than one year	1,569	1,605
	1,585	1,625

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Recycled capital grant fund

	2021 £'000	2020 £'000
At the beginning of the year	-	-
Grants recycled	25	63
Transferred to other group companies	(25)	(63)
At the end of the year	-	-

19. Financial instruments

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at historical cost:		
- Trade receivables	32	97
- Other receivables	850	1,397
- Cash and cash equivalents	5,217	4,141
Total financial assets	6,099	5,635
	2021 £'000	2020 £'000
Financial liabilities measured at historical cost:		
- Loans payable	-	66
- Trade creditors	-	60
- Other creditors	5,647	5,219
Total financial liabilities	5,647	5,345

20. Employees

The average monthly number of employees expressed as full time equivalents, is as follows:

	2021 No	2020 No
Housing, support and care	14	13
	14	13

On 1 March 2021 all employees of Plumlife transferred to Great Places Housing Association under the TUPE regulations as a change of employer. This is to ensure all employee related liabilities are matched by the housing assets of GPHA and to simplify the intercompany trading activities.

The total cost of employees is as follows:

	2021 £'000	2020 £'000
Wages and salaries	414	398
Social security costs	39	35
Other pension costs	16	16
	469	449

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Non-equity share capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

Shares in the Association issued to members are not transferable. Upon a shareholder ceasing to be a member, the share is forfeited and the value is credited to the revenue reserve.

	2021	2020
	£	£
Shares of £1 each issued and fully paid		
At the beginning of the year	9	9
Shares issued during the year	2	-
Shares surrendered during the year	(2)	-
At the end of the year	<u>9</u>	<u>9</u>

22. Financial commitments

The Association has no capital commitments as at 31 March 2021 (31 March 2020: £nil).

23. Related parties

The Association has intra-group transactions with Cube Homes Limited ("Cube"), a non-regulated entity within the Group.

	2021	2020
	£'000	£'000
Marketing services income	321	315
Accommodation management services	352	769
	<u>673</u>	<u>1,084</u>

At the 31 March 2021 the Association owed Cube £nil (2020: £66k) and was owed £1k (2020: £76k) by Cube.

24. Accommodation in management

At the end of the year units in management for each class of accommodation was as follows:

			2021	2020
	Managed not owned	Owned and Managed	Total Owned and Managed	Total Owned and Managed
General Needs - social rent	101	-	101	101
Low Cost Home Ownership	-	112	112	1,408
Intermediate Rent	-	-	-	116
Non Social Rented	147	-	147	158
Social Leased	158	174	332	575
Non Social Leased	1,417	-	1,417	1,417
Total	<u>1,823</u>	<u>286</u>	<u>2,109</u>	<u>3,775</u>

PLUMLIFE HOMES LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Accommodation in management (continued)

Reconciliation of movement in unit numbers:

	General Needs	Shared Ownership	Intermediate rent	Other	Total
Opening unit numbers	101	1,408	116	2,150	3,775
Transfers to other group companies	-	(1,253)	(116)	(292)	(1,661)
New stock into management	-	-	-	85	85
Management contracts ended	-	-	-	(47)	(47)
Sales to tenants freehold	-	(26)	-	-	(26)
Sales to tenants leasehold	-	(15)	-	-	(15)
Other sales	-	(2)	-	-	(2)
Net change in stock	-	(1,296)	(116)	(254)	(1,666)
Closing Stock	101	112	-	1,896	2,109

As part of the simplification of intercompany trading, the element of shared ownership portfolio owned by Great Places Housing Association and managed by Great Places Housing Association employees using the Plumlife brand, have been reclassified out of the Plumlife accommodation figures. A total of 112 shared ownership properties remain which are owned by Plumlife.

25. Ultimate controlling party

The ultimate controlling party of the Association is Great Places Housing Group Limited, which is a company registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act. The consolidated accounts of Great Places Housing Group Limited can be obtained from Great Places Housing Group Limited, 2a Derwent Avenue, Manchester, M21 7QP, or via its website at www.greatplaces.org.uk.