The Great Places Housing Group Statutory Accounts for 2022/23 are contained in the following document. The accounts were presented to Board and signed at their meeting on 3rd August 2023 and subsequently signed by our External Auditors, Beever and Struthers. The document contains several references to the intended merger between Great Places Housing Group and Mosscare St Vincent's Housing Group (MSV) which was to take place during the 2023/24 financial year, however since signing the accounts the merger discussions have ended and the following statement has been issued.

GREAT PLACES AND MSV HAVE ENDED MERGER DISCUSSIONS

Date 15th September 2023

Great Places Housing Group Limited and MSV Housing Group Limited have regretfully ended discussions to join together in a merger by Transfer of Engagements.

The operating environment has thrown up many unanticipated challenges since both organisations began talks. Last week, it was announced that it was sensible to take some additional time to review the recommendations made during the due diligence process in more detail. This has caused our Boards to reflect on the business case for merger.

As a result we will continue working collaboratively (on projects like Hive Homes) and as partners within the Greater Manchester Housing Partnership rather than join together as one organisation.

Both Great Places and MSV would like to thank customers, colleagues and stakeholders for their ongoing support. Both organisations are well placed to continue to serve our customers and communities, invest in existing and new homes and we will continue to work together as long-standing partners as we look to the future.

Matt Harrison will remain as Chief Executive of Great Places.

Co-operative and Community Benefit Society (FCA) No 30045R

Regulator of Social Housing No L4465

Great Places Housing Group Limited

Report and Financial Statements

For the Year ended 31 March 2023

CONTENTS

ASSOCIATION INFORMATION

Board:

Chair	A. Davison	
Deputy Chair	C. Amyes	(Chair of RAC*)
Board Members at 31 March 2023:	M. Jones	
	M. Harrison	
	G. Page	(Chair of AAC** from 1 July 2022)
	S. Palmer	
	P. Ricketts	
	D. Robinson	(Chair of Cube Board)
	N. Ruhi-Khan	
Board Members during the year:	M. Hanson	(to 25 June 2022, also Chair of AAC** to 25 June 2022)

*Remuneration and Appraisal Committee (RAC)

**Audit and Assurance Committee (AAC)

Executive Directors at 31 March 2023:

Chief Executive	M. Harrison
Deputy Chief Executive and Executive Director of People & Culture	A. Dean
Executive Director of Finance and Company Secretary	P. Elvy
Executive Director of Sustainable Assets and Repairs	P. Bojar (to 30/06/2023)
Executive Director of Customer Services	G. Cresswell
Executive Director of Growth	H. Spencer

Registered office: 2a Derwent Avenue
Manchester
M21 7QP

Website: www.greatplaces.org.uk

Registered Numbers: Regulator of Social Housing No: L4465
Co-operative and Community Benefit Society No: 30045R

External Auditors:	Internal Auditors:	Bankers:
Beever and Struthers	PwC	The Royal Bank of Scotland plc
One Express	No 1 Spinningfields	Parklands
1 George Leigh St	1 Hardman Square	3 De Havilland Way
Ancoats	Manchester	Bolton
Manchester	M3 3EB	BL6 4YU
M4 HDL		

REPORT OF THE CHAIR

We are continuing to experience one of the most challenging economic and operating environments for many years with impacts on the worldwide and UK economies, the housing sector, our customers, our contractors, our suppliers and our colleagues. The continuing effects of Brexit and the Covid Pandemic on supply chains, followed by the war in Ukraine and the very significant increases in inflation, particularly through spiralling energy costs have created a cost of living crisis and there remains uncertainty on many fronts. Added to that a cap on rents by Government, effective from April 2023, that is well below current levels of inflation, merely adds to the many challenges that we face.

In addition to these inflationary cost pressures, we have seen a significant increase, in line with the rest of the sector, in demand for our services, driven by the heightened customer and regulatory focus on damp and mould issues, and this increased demand feeds through in increased costs for surveys and remediation works as well as increases in disrepair cases and complaints.

Despite these challenges, Great Places has continued to see some fantastic achievements in the last 12 months.

In 2022/23 the Group generated turnover of £168m (2022:£166m) which included a very successful year for first tranche sales and outright property sales. We achieved an Operating Surplus of £45.9m (2022: £46.8m) and a surplus before tax of £21.4m (2022: £21.2m). Our total debt at the end of March 2023 was £697.8m (2022: £709.1m) with the majority of our debt, 95.4% being fixed rate and protecting us from the high interest rates seen during the year. In addition, we held group cash balances of £96m.

The final year of our Corporate Plan 2021-2023 set out plans and targets in line with our 10-year ambitions, including the successful continuation of our ambitious development programme. It is therefore brilliant to be able to report that it has been another strong year for our Development Team with 649 new affordable homes completed for the year despite the challenges faced.

In addition, our subsidiary Cube Homes (“Cube”), set up predominantly for outright sales, has also been successful in a strong property market, selling 42 properties during the year and in May 2022 Cube won the Boutique Development of the Year Award at the Insider’s North West Residential Property Awards.

The Group has big ambitions, particularly when it comes to playing our part in tackling the housing crisis and providing much needed affordable homes. In September 2021, we were extremely pleased to be selected as a Strategic Partner for the Strategic Partnership 2 with Homes England, securing £240.8m of grant funding to help us to deliver 4,920 homes by 2028. The challenges faced, including increasing cost pressures meant that we recently held further discussions around our delivery expectations with Homes England. We can now confirm that our delivery volumes will be reducing slightly to 4,500 and at the same time has seen our grant increasing to almost £270m to reflect the challenging markets that we continue to work within.

Our in-house construction team, Terra Nova Developments Limited (a wholly owned Great Places subsidiary) is progressing well, having completed 22 homes in the last two years and, as at the end of March 2023, was constructing 130 homes across four sites for GPHA.

In April 2022, our new Aareon QL housing management system went live delivering many benefits including bringing together a 360 degree view of activity relating to the customer and property in one place and facilitating a more joined up and efficient way of working. In addition, our frontline colleagues have been further empowered as they are working with a more flexible and mobile working solution. The improvements in data quality will provide us with the insight to deliver for the business and puts us in a strong position to respond to the individual and diverse needs of our customers, and to make best use of our resources to tackle the challenges facing the sector.

Aware of the need to respond to the ever-changing external environment we operate in, we continue to develop our plans to address the requirements of the Social Housing White Paper "The Charter for Social Housing Residents", and the new consumer regulation framework that will follow the Social Housing (Regulation) Bill. In line with the requirements of the Tenant Satisfaction Measures, we are now collecting data against the 22 key metrics and, following the involvement of our Insight customer scrutiny group, look forward to publishing our results in an accessible and meaningful way to allow our customers and stakeholders to challenge our performance.

Customer safety remains paramount, and we continue to assess our buildings and carry out works to meet building safety legislation, spending £2.2m during 2022/23. We are committed to complete all remaining intrusive wall surveys on our properties considered to be of a higher risk and will swiftly put in place any short-term mitigation measures to ensure customers safety in partnership with the local fire service. At the same time, we will continue to develop our plans to deliver remediation works in a managed programme.

The Board and the organisation remains committed to the health and wellbeing of our customers and we have allocated almost £400k in funding from our Hardship and Community Resilience Funds to individual customers and community partner organisations to help tackle the consequences of poverty and austerity. Affordability concerns for customers will again be a key issue for Board as the cost of living crisis continues whilst also taking into account limitations of income of the Government imposed rent cap.

Great Places takes its Environmental, Social and Governance (ESG) commitments seriously, and we have issued Sustainability Reports for both 2021 and 2022, with our third report due for publication in the Autumn. Our Carbon Management Strategy outlines how we'll progress our aim of being a net zero-carbon business over the next two decades, with an early target of all our homes being EPC C or better by 2028.

We are pleased that we have successfully secured some initial government funding to continue work to improve the energy efficiency of our homes with £1.4m being secured from the Social Housing Decarbonisation Fund which will be match funded by Great Places. We plan to use this funding to support the installation of energy performance measures such as exterior wall insulation, cavity wall insulation, loft insulation, and solar panels in a total of 396 homes in Greater Manchester and Sheffield.

During 2022 we were regraded from G1/V1 to G1/V2 by the Regulator for Social Housing as part of a review cycle that saw around 50 other Registered Providers similarly regraded. The regrade to V2, for so many in the sector, reflects the riskier environment in which we operate, however retaining G1, the highest possible Governance rating, demonstrates our strong Governance and Financial Management arrangements that allows those increased risks to be effectively managed.

Our credit ratings with Moody's, A3, and Fitch, A+, were also reaffirmed during the year demonstrating that we remain a financially strong and resilient organisation with strong governance and a sound business strategy that balances the needs of shareholders.

The Board remained relatively stable during 2022/23 with only one change early in the financial year which saw Mike Hanson, a Board Member and also Chair of Audit and Assurance Committee step down and Grenville Page, who was already on the Board, replace Mike as Chair of the Committee.

We already know that there will be some additional changes to Board during the 2023/24 year with David Robinson stepping down from the Great Places Board in September 2023. This will also end his tenure as Chair of Cube Homes Limited and I'd like to thank David for his commitment, contributions and expertise during his almost 10 years of service. Emma Mountford, an existing Cube Board member, will be taking over the role of Chair when David steps down.

In October 2022, we announced that we had started discussions with Mosscare St Vincent's Housing Group ("MSV") regarding a merger and we are on target for that to happen on 1st October 2023. The new organisation will retain the name Great Places and will continue to have its Head Office in West Didsbury. The new Board will be formed with six members each from both the existing Great Places and MSV Boards. Charlie Norman, currently Chief Executive at MSV, is Chief Executive designate.

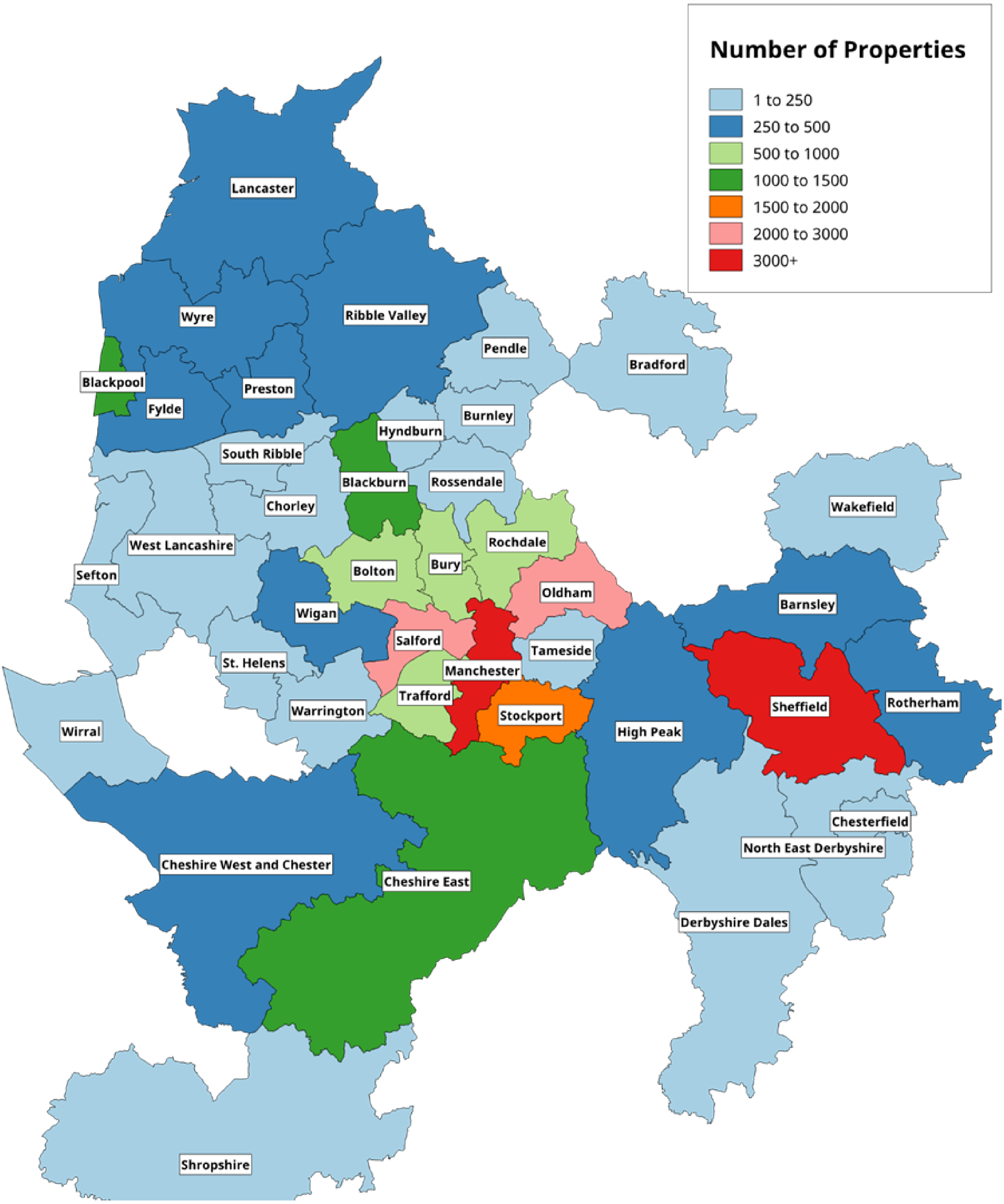
Due to the changes to the Great Places Board planned for post-merger, we also know that Nahim Ruhi-Khan will be leaving the Board at that point and I'd like to thank Nahim for her commitment to the Board over the last two years.

Great Places current CEO, Matt Harrison, has decided to step down after nine years in the role and over 30 years with Great Places and will leave the organisation at the point of merger. I'd like to thank Matt for his contributions to the success of Great Places, he's been invaluable in leading the Group and we wish him every success for the future.

This is a really exciting time for both organisations where we have a shared geography, ambition and vision and our merger plans give us a great opportunity to tackle the challenges facing our sector head on, to invest more into the properties we provide, the communities we serve and to improve services for our customers.

Tony Davison
Chair

Great Places Housing Group Limited ("GPHG" or "the Group") is a not-for-profit organisation which seeks to provide outstanding customer service and which now manages over 25,000 homes in 41 local authority areas across the North West and Yorkshire, as shown on the map below. We aim to build thriving neighbourhoods and to transform the lives of our residents.



Group structure

The Group comprises the non-asset owning, non-charitable parent ("The Association"), which is a Co-operative and Community Benefit Society ("CCBS"), together with two direct subsidiaries:

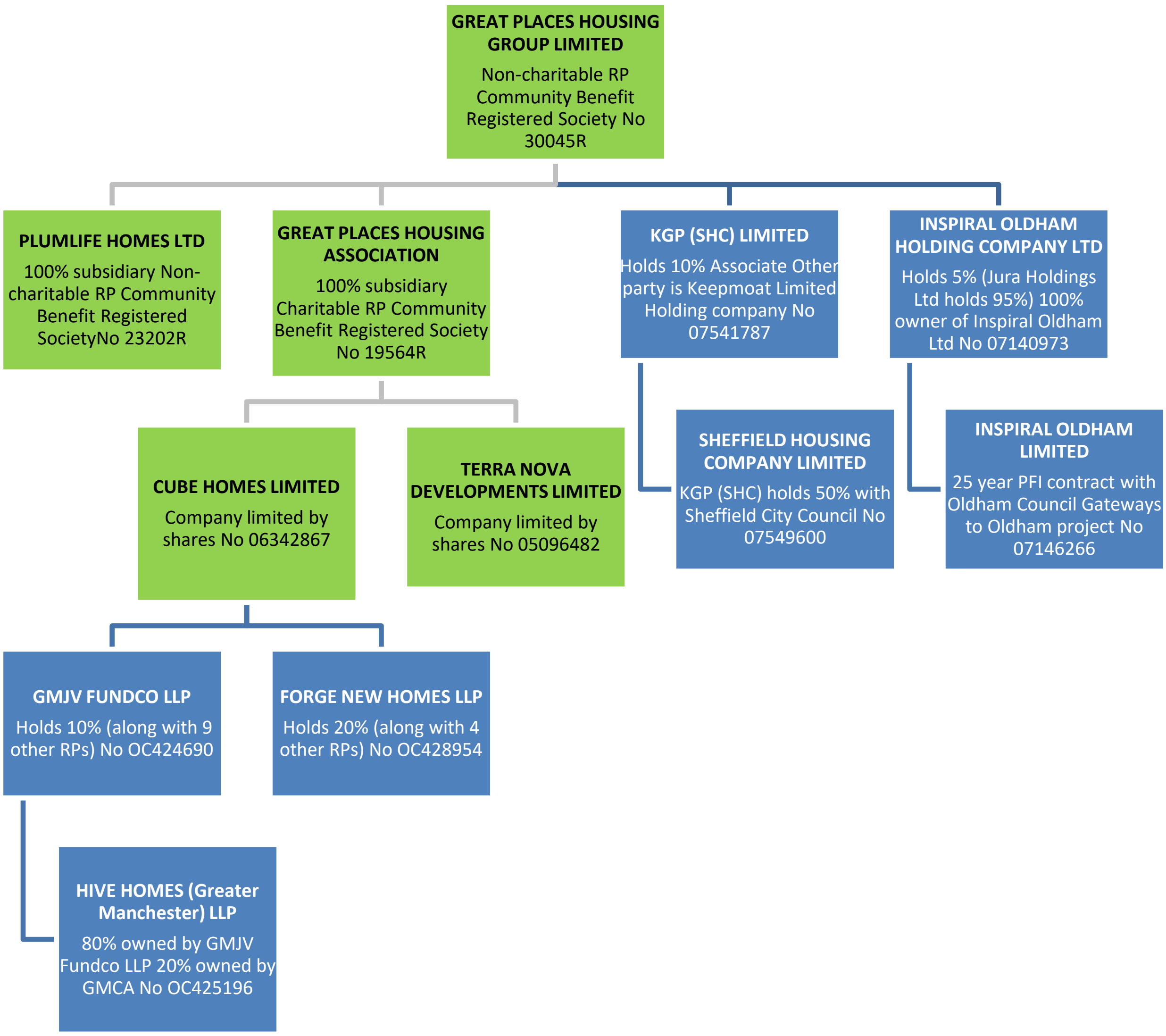
- Great Places Housing Association ("GPHA"), a CCBS with charitable status; and
- Plumlife Homes Limited ("Plumlife"), a CCBS not having charitable status.

GPHA has two active third tier subsidiaries: Cube Homes Limited ("Cube") and Terra Nova Developments Limited ("Terra Nova").

The Group is also involved in two joint venture companies and one associate.

Whilst GPHG has ultimate control, GPHA has responsibility for the management of the Group's general needs and supported housing properties. Plumlife is responsible for low-cost home ownership and leasehold management, Cube exists to provide the Group with a vehicle to undertake outright sale and market rent activity and Terra Nova undertakes design and build construction contracts as well as in-house construction.

The group structure, as at 31 March 2023 is better illustrated in the following diagram, with the green boxes being 100% ownership and blue boxes less than 100% with ownership details contained within the chart:



Board members and executive directors

The Board members and the executive directors of the Group as at 31 March 2023 are disclosed in note 12. Details of all the members and directors that have served during the period from 1 April 2022 up to the date these statements have been signed are set out on page 3.

The Board members are drawn from a wide background bringing together professional, commercial and housing experience. In recognition of the challenges and responsibilities facing the Board, and the time and effort they put into performing their duties, the Group remunerates its Board members and formalises these arrangements through individual Board member service contracts. The Board Members are term-limited to meet our regulatory requirements and to comply with our Code of Governance and there is a regularly reviewed succession plan in place to ensure continuity and that skills gaps are addressed and met.

The executive directors are the Group Chief Executive and the other members of the Group's executive management team. They hold no interest in the Group's shares and act as executives within the authority delegated by the Board. Only the Group Chief Executive is a member of the Great Places Board. Insurance policies indemnify Board members and officers against liability when acting for the Group.

Primary activities

The Group's primary activities include:

- Management, maintenance and development of general needs social and affordable housing for rent, supported housing, extra care, low-cost home ownership and housing for outright sale or market rent;
- Management of leasehold and privately owned property;
- Provision of related services such as financial inclusion and social investment activities;
- Providing specialist support for customers and communities; and
- Regeneration of neighbourhoods and communities.

We are committed to doing our part to help address the national housing shortage. We own or manage over 25,000 properties and are a major developer of new affordable homes for a diverse range of people with 649 affordable homes, plus a further 42 outright sale homes by Cube Homes, completed during 2022/23 and around 1,600 homes in development at 31 March 2023. Full details of the movement in the number of homes we own and manage can be found at note 32.

Objectives and Strategy

We are now at the halfway point in our 10 year ambitions, with our new Corporate Plan for 2023-24 outlining our ambitions and priorities with a continuing focus on delivering our objectives around three key themes of stability collaboration and ambition. The Group's vision and values are:

VISION:	Great homes. Great communities. Great people.
Great homes:	Maximising our investment in sustainable homes.
Great communities:	Building successful, vibrant communities.
Great people:	Providing outstanding customer service and support.
VALUES:	We are fair, open and accountable. We know, respect and care about our customers. We appreciate the effort of everyone who works here. We promote partnerships, efficiency and value for money. We passionately embrace creativity, change and innovation.

To remain a vision-driven and values-led organisation

There is a positive Great Places way of doing things based around "profit for purpose" that we will continue to celebrate. It's our values that convince people to choose our homes, to join our team, to go into partnership with us and to give us their support.

To grow and improve as an organisation

Customers are at the forefront of everything we do and their safety is paramount. This is a priority for Great Places and we will ensure that our customers know this and that they can be confident that their homes are safe. We will make sure that our housing meets the needs of our customers, both now and in the future and we will actively manage and invest in assets economically, sustainably and safely. We will have a clear sustainability plan for assets and will assist in supporting and improving neighbourhoods by enhancing the environmental performance of our homes.

Our homes are our largest and most valuable tangible asset underpinning the operation of the whole group. It is therefore essential that we have an accurate picture of condition to ensure that our investment maintains and protects our properties. We will ensure that we use all our available data, from a range of visits and inspections of our homes, to build a powerful and accurate view of property performance and address poor performing stock proactively. Ensuring that we hold accurate data allows us to better understand our properties, aids effective decision-making and gets the most out of our new housing management system.

Announcement of merger

In October 2022, we announced that we had started discussions with Mosscare St Vincent's Housing Group ("MSV") regarding a merger and this is on target to happen on 1st October 2023. Great Places and MSV coming together will mean we will own and manage around 34,000 homes.

The over-riding ambition for the new organisation is to provide exceptional services to customers, building on the great work that has already been done by each organisation and we are committed to managing and maintaining homes to the highest standards.

We both have similar stock profiles consisting of a balance of varied new-build and refurbished homes and property types, across a diverse northern geography. We both concentrate on providing a whole market offer, from rented homes to shared ownership, ensuring we provide homes to suit every need. Bringing the two organisations together presents an opportunity to consolidate our footprint in our shared areas of operation.

Although the merger will create a larger organisation, we intend to continue to be a local presence in our communities as we each always have.

Having greater financial strength and resilience to do great things including improving customer service and maintaining our development programme, facing challenges of the future and meeting our net zero target will be more attainable due to the efficiencies that will be enabled by the merger.

Managing performance and delivery against objectives

The Group manages performance through a balanced scorecard which assesses the achievement of the Corporate Objectives through a range of quantitative and qualitative measures. Each objective is assessed against the relevant set of measures and any corrective action identified. Board focus is on a suite of "Critical Success Factors" ("CSFs") each of which is supported by a wider range of Key Performance Indicators ("KPIs") and operational and management indicators which together give a clear steer on whether the organisation is progressing against the three year targets and the 10 year ambitions within the Corporate Plan.

The Group monitors and reports on the CSFs against our vision of Great Homes, Great Communities and Great People as well as our operating principles.

Critical Success Factors	2022/23 Actual	2022/23 Target	2021/22 Actual
Development completions (Excluding Cube)	649	773	557
Outstanding Higher risk building safety surveys	0	0	12
Overall satisfaction	69%	71%	70%
Digitally active tenants	35%	50%	45%
Current arrears including HB	4.7%	4.0%	4.0%
Average re-let time (days)	28.6	22.0	19.4
Households into work, training and volunteering	1,008	850	845
Colleague Engagement	80%	79%	79%
Percentage of days lost due to sickness*	3.2%	3.7%	4.5%
Data Completion**	61%	93%	79%
Group surplus before tax	£21.4m	£23.0m	£21.2m

* Employee sickness was previously Average days sickness per employee, which isn't directly comparable

** Data Completion fluctuates significantly year to year dependant on the reporting requirements determined, this change is due to measures which are driven in part by senior leaderships focus for the year.

Great Homes:

- Our affordable development programme continues to grow and in September 2021 we secured our second Strategic Partnership with Homes England which was intended to deliver 4,920 new affordable homes by March 2028 with £240.8m of grant funding. The challenges faced, including increasing cost pressures meant that we have recently held further discussions around our delivery expectations with Homes England. We can now confirm that our delivery volumes will be reducing slightly to 4,500 and at the same time has seen our grant increasing to £270m to reflect the challenging markets that we are working within.

- 649 affordable homes were completed during 2022/23, and continuing on our success in recent years. This was lower than our target of 773 but is reflective of the current delivery challenges facing the construction sector. Demand for our shared ownership and outright sales products remains incredibly strong.

- In addition to the completions, there were 852 affordable homes started across 17 sites and despite the continuing challenges for the development sector, as at the end of March, we had 37 live sites with around 1,600 new homes being built.

- During the year we confirmed that we had successfully been retained as lead partner for Great Manchester Housing First ("GMHF") which has been extended until 2025. GMHF uses housing as a platform to enable individuals with multiple and complex needs to begin recovery and move away from homelessness. GMHF was the winner of the Best Initiative for Tackling Homelessness at the Northern Housing Awards.

- We value the power of partnerships and our joint venture activities with Forge New Homes in the Sheffield City Region and Hive Homes in Greater Manchester are continuing to progress well. This includes Hive's landmark development scheme of 48 homes at Osprey Place in Middleton and Forge New Homes securing planning permission during the year for its second development of 58 homes in Chesterfield. Hive Homes also recently won the RESi award for Newcomer of the Year which recognises the success of the joint venture with Greater Manchester Combined Authority and nine other leading Greater Manchester Housing Associations.

- We have continued to make improvements to the data we hold on our assets, carrying out over 4,000 stock condition surveys in 2022/23, and we are making great progress towards our objective of a rolling five-year survey cycle. In the last year we spent £21.2m on major repairs, completing over 4,000 component replacements with nearly 1000 kitchens and bathrooms and over 500 new boilers and heating systems installed.

- Completing building safety surveys and works to 100% of our highest risk buildings was one of our Critical Success Factors and we successfully achieved that having undertaken all 10 remaining surveys during 2022/23.

- Our commitment to improving energy efficiency in our homes is continuing and we have been successful in securing £1.4m of funding from the Social Housing Decarbonisation Fund which will be match funded by Great Places. We plan to use this to support the installation of energy performance measures in 396 of our homes in Manchester and Sheffield with works including exterior and cavity wall insulation, loft insulation and solar panels. We have a target to achieve EPC C by 2028 with 3,987 Homes below EPC C at March 2023.

- Repairs continue to be the most regularly accessed service by our customers, with approximately 58,000 repairs requests during 2022/23 equating to approximately 225 jobs each working day. The greater demand during 2022/23 can be partially attributed to increased media focus on property condition in the sector, together with our proactive campaigns to report issues, with damp and mould inspections increasing significantly since October 2022. Resources have been prioritised on these inspections and rectification works with the vast majority highlighting issues around high condensation levels and increased humidity rather than severe structural issues. The works associated with these inspections are being delivered by both the in-house and sub-contractor teams.

Great Communities:

- At the end of the year, current tenant arrears were 4.7%, missing our target to keep arrears level at the same as last year. Our target was challenging given the ongoing affordability issues for customers around the cost of living crisis, high inflation and increased energy prices which have inevitably put pressure on customer incomes. Our performance at the end of the year is reflective of benchmarking predictions for rising sector arrears.

- Overall customer satisfaction finished the year at 69% meaning that we were slightly below our CSF target. We are now reporting customer satisfaction using a revised methodology which aligns with the new Tenant Satisfaction Measures published by the Regulator.

- During the year, 35% of customers were classed as being digitally active, which is below our target for digital engagement. The metric for digitally active customers is from our records of interaction and based on how many times contact is made electronically. An example is: a customer who has three interactions one by email and two by phone would be recognised as 33.3% digitally active.

- Since the start of April 2022, the Community Investment Team have helped over 1,000 households into work, training and volunteering, with performance surpassing the total from the previous year and our CSF target for 2022/23.
- The Community Investment Team was successful in drawing down £1.1m in external funds, some of which was for external contract delivery of the European Social Fund (ESF), Department of Work and Pensions (DWP) and Multiply programmes, and some of which was on behalf of our community partners. In addition, through social value commitments, £140k has been received in the form of donations from contractors. £104k has been allocated to 59 projects.
- We have allocated nearly £400k in funding to individual customers and community partner organisations to help alleviate poverty and the cost of living crisis.
- During the year we continued to invest in our support to vulnerable customers including investment in adaptations to ensure our customers can stay in their homes, extended our services at Docherty House to include extra officers to enhance the service and also offer specialist resettlement support, and employed eight tenancy coaches supporting our customers' independence.
- Through Achieve, the community alcohol and drug recovery service partnership led by Greater Manchester Mental Health, we provided specialist support to people across Salford, Bolton, Trafford and Bury who are on their recovery journey to prevent or end homelessness in addition to supporting those with long term trauma.

Great People:

- Recruitment and retention has remained challenging, and the impact of ongoing recruitment, onboarding and upskilling is particularly hard hitting in our customer-facing services with high turnover having a significant impact on the Hub, Repairs and Independence and Wellbeing Services. Work is ongoing in this area to ensure that we understand the reasons for attrition, address them as appropriate, and ensure that our pay and benefits benchmark well and are understood and we are seeing this work start to pay off particularly in the recruitment space.
- Our engagement pulse check was undertaken in November 2022 with the results showing a high level of engagement at 80% which exceeded our target for 2022/23 of 79%.
- Our Growing Greatness programme is progressing well with our latest apprentice and graduate cohorts establishing themselves in the business. We have successfully targeted recruitment for Growing Greatness towards social housing tenants and their families, as well as under-represented groups. Work is also taking place to encourage the next generation to consider future careers in housing and we have supported a number of events around this. We were successfully shortlisted for the Widening Participation category of the AAC Apprenticeship Awards.
- Along with the rest of the sector we are closely following the professionalisation agenda and we will continue to respond to the planned consultation on this. In the meantime we are doing some work to understand where our colleagues already have professional qualifications and recording this so we are clear on our gap as an organisation. We believe in the importance of having a skilled and knowledgeable workforce and that colleagues have their existing skills accredited.
- We continue to be committed to being an accredited Living Wage employer and have achieved accredited membership status of the Greater Manchester Good Employment Charter.

- In terms of performance for the year we successfully achieved our CSF target for % days lost due to sickness with the end of year position at 3.2% (2021/22: 4.5%) against a target of 3.7%.

Environmental, Social and Governance (ESG)

Great Places produce an annual Sustainability Report with the 2021/22 report being available through our website.

Great Places has pledged to be open with our customers, partners and investors on our ESG performance and objectives for the future.

Great Places believes it makes a positive impact in the communities where we work and the surrounding environment. There is a clear link between the sustainability reporting standard (we report against), our investment through social value and many of our existing strategies, including the Affordable Development Strategy, Carbon Management Strategy, our Code of Governance and our Equality, Diversity and Inclusion (EDI) strategy.

The 2021/22 report provided us with the opportunity to demonstrate our commitment in the key areas to a wider audience of stakeholders and investors, through key metrics and case studies, assessments and analysis of the full extent of our impact.

The 2021/22 report highlighted the tree planting programme that is still taking place where Great Places plant a tree for every property in our portfolio that did not achieve the EPC C rating. During 2021/22 through our partnership with Tree Nation we planted even more trees than that, planting a total of 4,000.

The report for 2022/23 is due in the Autumn and will continue to highlight our strong performance against the reporting standard. The 2022/23 report will cover a number of environmental, social and governance projects from the year including £266k invested across 342 homes to improve loft insulation for our customers which should see significant reductions in their heating bills, as well as details of funds invested in cavity wall insultation and other works to help improve EPC ratings.

Results for Financial Year end 31 March 2023

Turnover was £167.8m (2022: £166.0m), the increase principally driven by a successful year for first tranche and outright sales. Operating surplus was £45.9m (2022: £46.8m), surplus before tax was £21.4m (2022: £21.2m) and housing properties at cost increased to £1,673.7m (2022: £1,581.2m).

Total debt at the end of March 2023 was £697.8m (2022: £709.1m) with the majority of our debt, 95.4%, being fixed rate and protecting us from the rising interest rates seen during the year. In addition, we held group cash balances of £96m.

For the year ended 31 March	2023 £m	2022 £m
Income Statement		
Turnover	167.8	166.0
Operating surplus	**45.9**	**46.8**
Surplus for the year after tax	21.4	21.6
Statement of Financial Position		
Housing properties at cost	1,673.7	1,581.2
Depreciation	(237.5)	(221.0)
Investment properties	25.1	24.7
Other fixed assets	13.1	13.4
Fixed assets	**1,474.4**	**1,398.3**
Fixed Asset Investments	9.4	8.7
Net current assets	59.1	103.6
Total assets less current liabilities	**1,542.9**	**1,510.6**
Creditors due after one year	698.7	729.5
Social Housing Grant	610.8	587.0
Pension liability	11.6	12.4
Net assets	**221.8**	**181.8**
Reserves	**221.8**	**181.8**

Treasury Management

The Group's borrowing decreased by £14.5m during the year. This was due to scheduled loan repayments and the amortisation of debt.

Capital structure (loan and finance lease liabilities) For the year ended 31 March	2023 £m	2022 £m
Maturity		
Within one year	12.7	11.4
Between one and two years	18.9	8.8
Between two and five years	30.0	34.2
After five years	639.3	657.9
TOTAL	**700.9**	**712.3**
Type of facility		
Own name Bond issue (including premia)	392.6	394.5
Other facilities	308.3	317.8
	700.9	**712.3**
Fixed / variable split		
Fixed including cancellable and amounts fixed by interest rate swaps	668.6	671.5
	(95.4%)	(94.3%)
Variable	32.4	40.8
	(4.6%)	(5.7%)

The Group's loans are secured against housing properties using either Existing Use Value Social Housing ("EUV-SH") or Market Value Subject To Tenancy ("MV-STT"). Properties are revalued by valuers appointed by the relevant funder at intervals stated in the loan documentation.

The Group's borrowings are principally from banks and the debt capital markets, at both fixed and floating rates of interest. Hedging is one of the tools adopted to manage the market price risk of interest costs, and together with a range of sensitivity analyses run against the Group's Business Plan, allows Great Places to monitor its exposure in this regard. Interest rate derivatives (swaps) are used to provide a hedge against the Group's exposure to interest rate fluctuations. The hedging strategy, included within the Annual Treasury Strategy, is regularly reviewed to ensure it remains appropriate in an ever changing financial climate and also in response to the Group's funding strategy. The current Strategy, approved in July 2022, identifies that a minimum of 75% fixed rate debt should be maintained. As at 31 March 2023 the Group had 95.4% fixed rate debt, including debt fixed by interest rate swaps.

The Group has stand-alone swaps transacted through International Swaps and Derivatives Association ("ISDA") agreements to hedge variable rate loans from banks. No new hedging was undertaken in the year.

Nil cash collateral (as shown on the table below) was provided to counterparties at 31 March 2023. The prior year £8m cash collateral was included within current asset investments on the balance sheet. The average maturity of the swaps is 11 years. Further details on swaps are given in note 23 Debt analysis and note 26 Financial instruments.

Standalone Swaps - Mark to Market exposure at 31 March 2023				
Counterparty	**Unsecured Threshold**	**Mark to Market Exposure**	**Collateral required**	**Cash in place**
Barclays	£7,500,000	£1,328,545	£0	£0
RBS	£3,000,000	£2,902,228	£0	£0
Santander	£5.000,000	£1,420,582	£0	£0
Lloyds TSB	£7,500,000	£2,231,070	£0	£0
As at 31/03/23	**£23,000,000**	**£7,882,425**	**£0**	**£0**
As at 31/03/22	£23,000,000	£28,133,674	£6,632,556	£8,041,614

The fixed rates of interest on the Group's debt portfolio range from 2.0% to 10.71%. On the standalone swaps the fixed rates range from 4.20% to 4.97%. The Group borrows and lends only in sterling and so is not exposed to currency risk.

The Group's lending agreements require compliance with a number of financial and non-financial covenants, most notably EBITDA MRI, interest cover, and gearing, both of which are shown on the following page. The Group's position is monitored on an ongoing basis. These financial statements and Business Plan projections confirm that the Group is compliant with its loan covenants at the balance sheet date and we expect to remain compliant in the foreseeable future.

Liquidity, cash management and investment

The Group's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Group shall ensure it has adequate, though not excessive, cash resources, borrowing arrangements, overdraft, revolving credit or other stand-by facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business and service objectives. These requirements are set out in the approved Annual Treasury Strategy and are monitored regularly as part of the cash flow reporting regime.

The Group remains in a very strong funding position to meet our funding needs for at least the next two years. This is demonstrated by:

- Current cash balances of £96m;
- Undrawn Santander revolving facility of £44m; and
- Undrawn RBS revolving facility of £100m.

The Santander revolving facility will be fully drawn by December 2023 (we extended the availability period from December 2022), at which point it will become a term loan. It is fully secured.

The RBS £100m revolving credit facility which matures in 2027 is undrawn and is fully secured.

This comfortably meets the liquidity requirements set out in the Annual Treasury Strategy which was last updated in July 2022. The Group holds its surplus in cash or cash equivalents and will not invest in gilts, equities or other non-money assets.

Key statistics and ratios

Other ratios	2023	2022
Surplus %		
Surplus after tax as % of Turnover	12.7%	13.0%
Interest Cover % (EBITDA MRI)		
(operating surplus, excluding outright sales and other fixed asset sales; adding back depreciation; excluding grant amortisation; deducting capitalised major repairs) / (net interest payable) **GOLDEN RULE >125%**	143.3%	144.0%
Gearing*		
(Total borrowings less cash at bank and in hand)/ (Housing properties at cost less properties under construction) **GOLDEN RULE < 55%**	40.7%	41.2%
Operating Margin before interest %		
(Operating surplus, excluding fixed asset sales / turnover)	23.6%	25.3%
Operating Margin on 1st tranche sales	15.1%	13.4%
Operating Margin on outright sales	22.7%	18.0%
Operational performance		
Rent loss from voids as a % of gross rent	0.7%	0.6%
Bad debts as a % of gross rent	0.9%	0.1%
Current tenant arrears	4.7%	4.0%
Social Housing Letting Interest Cover		
(Surplus on social housing lettings / net interest paid in cash flow statement)	1.1x	1.1x
Recurrent cash interest cover		
(Operating surplus plus depreciation and impairment / net interest in cash flow statement)	2.4x	2.1x
Debt to revenue		
(Loans less fees plus finance leases / turnover)	4.2x	4.3x
Debt per unit		
(Loans / social housing units owned and managed)	£31,220	£32,802

** The definition for Gearing on this table differs from the RSH metric; the above includes housing properties at cost less those under construction, whilst the RSH definition includes housing properties at net book values*

Value for Money: Overview

Great Places understands the importance of getting more out of our available resources to provide high quality homes and a great customer service – thereby demonstrating value for money ("VFM"). The challenging economic environment means that this has been increasingly important and will continue to be for the coming financial year. We are a "profit for purpose" organisation aiming to maximise our surplus to enable us to deliver our identified priorities and to attain our vision of Great Homes, Great Communities, Great People. For us, VFM is an integral part of our overall strategy to deliver our corporate ambitions rather than an add-on or standalone activity. The Board monitors organisational progress against key priority areas to ensure we maintain an emphasis on delivering core objectives, on becoming a more economic, efficient and effective business, and on reacting swiftly and appropriately to the key challenges being faced.

The more efficient we are, the more resources we have to build new homes, improve existing homes, enhance our services, undertake activities designed to maximise social impact and fund other key corporate priorities. With a clear focus on what matters most, 2022/23 was another successful year for Great Places. The merger with MSV further demonstrates that Great Places Board is open to major organisational and structural change to generate efficiencies and VFM.

VFM – comparisons and benchmarking

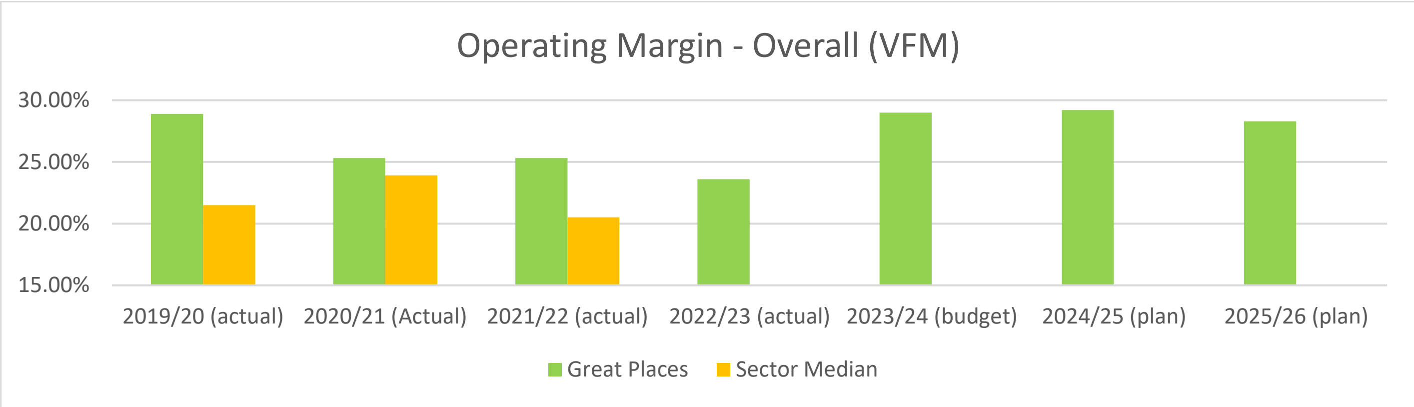
The table below shows performance against the Sector Scorecard which categorises 15 measures over five broad categories, and within which are included the seven VFM Standard metrics (shaded grey) and also includes previous year results.

Metric	2021/22		2022/23		2023/24
	Great Places Actual	Sector Median *	Great Places Actual	Target	Target***
Operating Margin - Overall (VFM)	25.3%	20.5%	23.6%	27.7%	29.0%
Operating Margin - Social Housing Lettings (SHL)	30.6%	23.3%	27.5%	32.2%	34.7%
EBITDA MRI Interest Cover (VFM)	152%	145.7%	142.9%	142.0%	160.7%
Development (No. of new homes completed)	557	N/A	649	773	869
Units Developed as % of units owned (SH) (VFM)	2.7%	1.4%	2.9%	3.4%	4.0%
Units Developed as % of units owned (NSH)	0.0%	0.0%	0.2%	0.2%	0.0%
Gearing (VFM)	42.9%	44.1%	41.7%	41.9%	38.7%
Social Housing Cost per Unit (VFM)****	£3,515	£4,150	£3,931	£3,848	£4,150
Service Charge CPU	£560	£701	£571	£553	£721
Management CPU ****	£1,026	£1,104	£1,228	£1,090	£1,335
Maintenance CPU	£576	£2,302	£679	£657	£645
Major Repairs CPU	£1,039		£1,120	£1,069	£1,156
Other Social Housing Costs CPU	£312	£491	£333	£479	£293
Customer Satisfaction**	7.0/10	N/A	70%	71%	71%
Rent collected	99.9%	100.0%	99.3%	99.0%	99.0%
Overheads as % of Turnover	13.7%	13.4%	11.6%	11.4%	11.5%
Investment: Communities	£979k	N/A	£1,410k	£819k	£819k
Reinvestment % (VFM)	6.0%	6.5%	8.1%	13.7%	16.7%
Return on Capital Employed (VFM)	3.1%	3.2%	3.0%	2.9%	3.2%
Repairs Ratio (responsive: planned)	0.6	0.7	0.6	0.5	0.6
Occupancy rate	98.6%	99.2%	98.6%	99.5%	99.0%

**The Global Accounts have been utilised as the Sector Median. The breakdown of CPU has been taken from the VFM Metrics*
***The Global Accounts asks for a % satisfaction figure whereas Great Places utilised the Institute of Customer Service methodology which provided for a score on a scale of 1 to 10. The results are therefore not comparable. These results are for General Needs customers.*
**** Taken from 2023/24 Approved Business Plan **** The original 2022/23 target was increased for Housing First when this contract was awarded.*

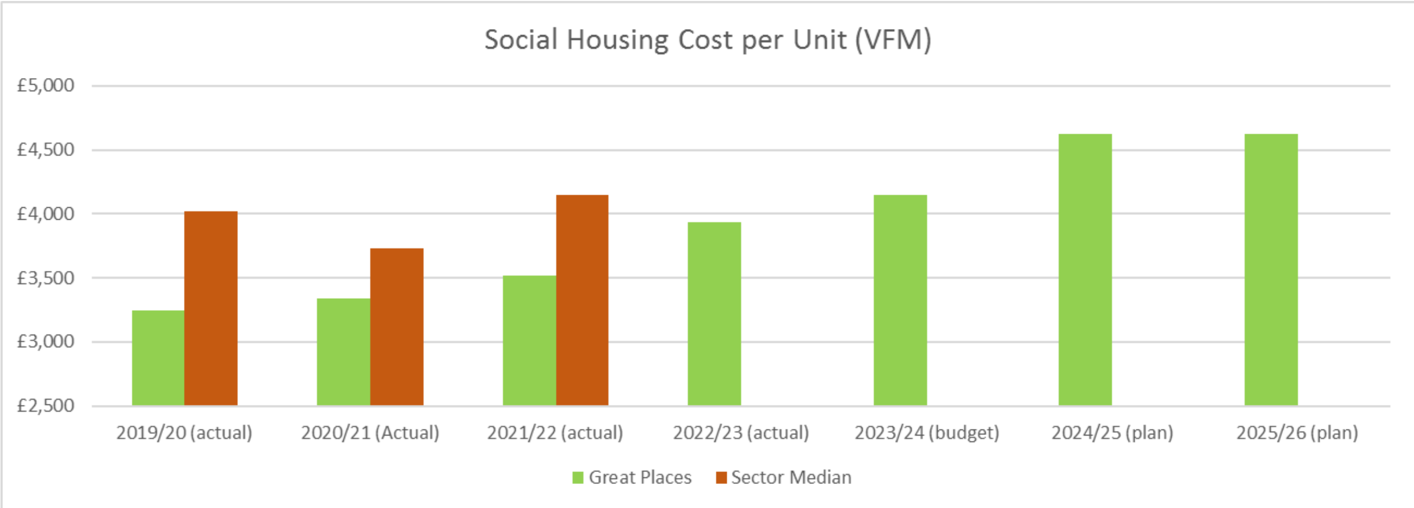
Key messages over the RSH VFM Measures:

Operating Margin VFM:



Our overall operating margin, the proportion of surplus generated from turnover on a provider's day-to-day activities, at 23.6% was better than the sector median in previous years but below our target. Our overall operating margin for 2022/23 has decreased slightly from 2021/22 performance.

Social Housing Cost per Unit:



Our headline cost per unit is £3,931 for 2022/23. This is a small increase on the previous year and is slightly higher than the target set for the year. Our higher percentage of Supported Housing, and having stock located in areas of high deprivation are both drivers for increased costs and consequently show our overall low figure (compared to the sector median) in an even better light.

Outcomes delivered: For customer satisfaction, we had followed the Institute of Customer Service ("ICS") approach including their 10 point scale, but moved during 2022/23 to the Regulator's new Tenant Satisfaction Measures ("TSM's"). Performance to the end of the year was 70% which was in line with 2021/22. The target for 2023/24 will see a need for us to improve this. Our occupancy rate at 98.6% is broadly in line with performance last year, which was close to the sector median for 2021/22 and our ratio of expenditure on routine maintenance to spend on planned maintenance is low which is perceived to be positive.

Reinvestment: The VFM metric shows that our ambitious development programme is not at the expense of other Profit for Purpose priorities and that we still invest comparatively heavily in our communities. Reinvestment at 8.1% was behind the target of 13.1% primarily due to delayed development spend, but still an improvement on the prior year and on last year's sector median.

Return on Capital Employed: at 3.0% is slightly ahead of target, but a decrease on last years performance and this is due to increase major repairs spend.

As a whole: against the backdrop of a challenging economic and operating environment performance has struggled to meet our internal targets and this will continue to be a challenge given that most of these increase in 2023/24. However customer satisfaction has remained stable as has EBITDA MRI interest cover and return on capital employed highlight our financial strength.

VFM: Embedding a strategic approach

Having a strategic approach to VFM, and making decisions to ensure we make the best use of the Group's resources, is not new for Great Places and the significant improvement in financial performance and quality of service delivery over recent years is prime evidence of success in this regard. Improving VFM is viewed as a sign of good governance in action, as a means of achieving corporate objectives and as a key determinant of business effectiveness.

Underpinning Great Places VFM approach for many years has been the delivery of economies of scale through steady organic growth of homes owned through grant funded development, together with growth in associated or complementary management services This approach demonstrates that the Board continues to consider the most appropriate delivery models for achieving its strategic objectives.

Our performance centres around eleven Critical Success Factors (CSF's), which are designed to focus us on the delivery of the Corporate Plan, with four targets achieved at the end of what was an incredibly challenging year: Building Safety; Households into Work, Training and Volunteering; Sickness Absence; and Colleague Engagement. Whilst performance in other CSF's didn't reach our targets, we were pleased that we continued to make progress with some only narrowly missing target. Our CSF's are directly aligned to the delivery of our Corporate Plan, progress against which is reported to Board on a regular basis using the Great Homes, Great Communities, Great People strands.

Through our strategic approach, VFM is incorporated into all decision-making and was a key driver for the planned merger with MSV. The Board acknowledge that we cannot deliver our vision, values and priorities without delivering VFM. We always seek the optimise the balance of low costs, high performance, high quality and high customer satisfaction.

The table below details the RSH VFM Metrics reported as part of the approved 2023/24 Business Plan

RSH VFM metrics	2024	2025	2026	2027	2028
Operating Margin – overall	29.0%	29.2%	28.3%	29.6%	30.5%
Operating Margin – Social Housing Lettings	34.7%	30.9%	32.4%	35.4%	34.3%
EBITDA MRI Interest cover	160.7%	167.4%	147.6%	139.5%	137.1%
New Supply: Units developed as % of units owned	4.0%	4.3%	5.6%	6.9%	4.0%
Gearing	38.7%	40.9%	46.4%	48.4%	48.7%
% Reinvestment	16.7%	17.4%	15.1%	10.5%	7.5%
Return on capital employed (ROCE)	3.2%	3.2%	3.1%	3.4%	3.4%
Headline social housing cost per unit	£4.15k	£4.62k	£4.62k	£4.34k	£4.35k

Profit for purpose

Great Places is a housing association with a robust "profit for purpose" model. Cube, the Group's commercial subsidiary, generates additional profit and targets an average of £2m per annum, with the aim of a minimum of 50% of the profit being gift aided back to the charitable element of the Group. We aim to be as efficient as possible, to remain a top-quartile performer and maximise our surplus. However, we then choose to use a significant proportion of our surplus to go far beyond our landlord obligations and realise our values and our vision of Great homes, Great communities, Great people. The simple principle is that the more efficient we are as an organisation, the more of the added value work we can carry out to transform communities and improve the lives of our customers who live there. We have a Community Investment Strategy in place and as mentioned above a dedicated Community Investment team.

Risk management

Statement of Compliance with our Governance Code

We have assessed our compliance against the NHF Code of Governance and again will publish a statement demonstrating how we have assessed and met the requirements on our website. In 2022/23, we have been compliant with all provisions except in relation to Board tenure (see below). Great Places has a Board Recruitment, Succession and Development Policy which is overseen by the Remuneration and Appraisal Committee who regularly review Board tenure and renewal. As at March 2023, Great Places was non-compliant with the provisions of this policy and with the Code of Governance with regards to Board tenure.

The Chair and also the Cube Chair (Tony Davison and David Robinson), both exceeded the 9 year maximum limit as of September 2022. Whilst plans had been in place to ensure the recruitment of new Chairs into both of these roles well ahead of the September 2022 deadline, Great Places was at the time in early discussions regarding the MSV merger, and it was agreed that it would be preferable for both Chairs to continue until the merger process was more advanced or completed. This would also enable consideration to be given to the skills of the new merged Board.

The Chair of Cube will be stepping down in September 2023. A new Cube Chair has been recruited and will take over from that point. The Chair of the Board will continue in post for a period following the completion of the merger which is on target for 1 October 2023.

The Regulator was informed of this area of non-compliance and the reasons were explained to them. Positively they indicated no concerns and accepted our rationale for the extended tenure.

A range of information on the composition of our Board is included at note 12 of these statements, including the remuneration of both the non-executive Board members and also the executive team.

The Group publishes a wide range of information on its website that seeks to provide all stakeholders with a range of useful "transparency" information. This includes details of all costs over £500 related to the Group's Homes England development contracts, which is updated quarterly.

The Group Board, as at 31 March 2023, consisted of eight Non-Executive Directors and the CEO as an Executive Director. Three of the eight Non-Executive Directors are female, and two of the Non-Executive Directors are from a diverse ethnic background. The average attendance at Board Meetings from 1 April 2022 – 31 March 2023 was 93%. This consisted of eight scheduled meetings, one extraordinary meeting and three Board away days.

There are two standing committees of the Board. The Audit and Assurance Committee (attendance rate of 94% in the year) and the Remuneration and Appraisal Committee (attendance rate of 100% in the year). Both have clearly defined

Terms of Reference, report key points from their meetings at each Board and submit an annual review of effectiveness for Board consideration.

Statement of compliance with RSH Financial Viability and Governance standard

The Board of Great Places has carefully considered its responsibilities under the Regulator's Economic Standards covering Rents, VFM and Governance and Financial Viability. A detailed report has been considered by the Audit and Assurance Committee which reviews the evidence presented to support the compliance position against each required outcome of the standard as well as the guidelines laid out in the Code of Practice.

A full register of all relevant law is maintained outlining the legislation that we are required to adhere to, and an annual report to the Audit and Assurance Committee details of how we meet the requirements of each Act of Parliament. On consideration of the evidence provided, the Group confirms it has met all regulatory requirements during the year.

The Group's structure is relatively simple, and we operate a coterminous Board arrangement that includes GPHG, GPHA, Plumlife and Terra Nova with the independence of Cube designed to ensure that our social housing assets are not put at undue risk. In addition, any decisions to pursue commercial activity under Terra Nova are closely assessed in terms of the impact on the social assets owned by Great Places Housing Association.

Our divestment regime ensures we make the best use of social housing assets by disposing of inefficient stock to generate income to fund the provision of new homes, thereby keeping the value of assets within the sector and ensuring value for money for the business in terms of management costs.

Our Board members have been selected and appointed based on an assessment of the skills and expertise required to discharge the duties of the Board including expertise in finance and housing. The Board members complete an annual evaluation of their effectiveness, and any gaps are addressed via individual development plans.

The Group has a comprehensive business planning process which embraces a rigorous approach to development of economic assumptions including benchmarking. The assumptions are prudent in respect of liquidity and interest rate risk, and reflect the Group's risk appetite. We work alongside our independent advisors, to ensure that the Group has sufficient headroom to meet the Business Plan commitments, and to remain comfortably within agreed funder covenants.

Stress testing scenarios have been undertaken against the new Business Plan under the direction of the Board and reviewed with the Executive Directors. The various scenarios test the Group's resilience against a number of key risks. The stress testing model maps the effect of various scenarios against our internal golden rule thresholds linked to EBITDA (MRI) interest cover, gearing and operating margin as well as the effect on our expected surpluses, unencumbered asset position, and potential security exhaustion. It was clear from the stress testing scenarios that the proposed plans satisfied our internal golden rule thresholds. The Group has four permanent mitigations in place a minimum cash buffer of £15m minimum 75% fixed rate debt, the Asset and Liability register and the Early Warning Monitor. In addition, the Group has a schedule of 30 further mitigating actions that could be put in place to reduce cash outflow and deliver significant revenue savings.

The Group has completed all required statutory and regulatory returns within the stated timeframes, and has introduced additional controls to reduce the risk of errors within these returns. We maintain a register of all frauds and losses which is managed by the Executive Director of Finance, overseen by the Audit and Assurance Committee and reported to the Regulator annually via the prescribed method. We have a strong track record of transparency and openness with all of our regulatory bodies including the RSH, FCA and the ICO and there have been no reports of Data Breaches made to the ICO during the financial year.

Key Risks

The Board retains ultimate responsibility for risk management. As part of this commitment they receive a risk report at every meeting with a deep dive into the risk management framework twice a year. The deep dive report considers compound risk and the changing risk landscape looking backwards and forwards over the medium term. During the year the Board reviewed and approved their Risk Appetite Statement with a review of target risk scores also undertaken. An analysis of the latest Sector Risk Profile released by the Regulator of Social Housing was also examined. In addition, the Board ensures that Great Places is resilient to the risk environment through the development of the business plan, ensuring robust stress testing is undertaken with appropriate mitigations identified.

The Board is supported by the Audit and Assurance Committee, who are primarily responsible for audit and the arrangements for effective internal control and assurance. The Audit and Assurance Committee have scrutinised several risk areas throughout the year, feeding back to the Board on the pertinent points. The Committee have also received update reports on the development of Great Places self-assessment framework for internal controls – focused on the oversight and development of first and second line assurance.

Through the year the top risks have remained fairly static with just two exceptions. Firstly, the merger integration risk has come to a successful resolution following the achievement of “one business” after the merger with former Equity Housing Group and secondly the existing repairs, asset and facilities management risk was escalated to a “top” risk during the year in response to housing quality concerns.

Risk	Nature of Risk and Risk Appetite	Mitigation
Customer Health & safety	Inability to reduce or remove threats to customer health and safety leads to harm and reputational damage. Risk Appetite – averse	Retained health and safety independent consultancy. Specialist contractors, 3rd party audit arrangements, specialist compliance team, regular board reporting and internal KPI’s. Building Safety Compliance Strategy. Customer accident reporting process. CSF focussing on building safety.
Delivery of repairs, asset management and facilities management	Demand for repairs combined with cost and wage inflation and supply chain issues are driving this risk set against the backdrop of stock quality issues affecting living conditions for some customers and customer experience. Risk Appetite – moderate	Inhouse repairs team and fully owned distribution centre. Regular salary reviews and Growing Greatness Apprenticeship programme. Dynamic Repair scheduling and increased planning resources. Increased resource and oversight to respond to housing quality concerns with a robust damp and mould inspection process. Set up of Living Conditions Project with Board and Project Groups for oversight and monitoring of progress.
Secure and resilient technology infrastructure to meet the needs of the business	Secure infrastructure is the fundamental building block required for us to shape a more resilient business that can support innovative systems and ways of working whilst maintaining system security. Risk Appetite – moderate	Well resourced Technical Services Team including Cyber Specialist and Project Team to support the development of new ways of working Robust patch implementation framework. All systems and data backed up Implemented IaaS (infrastructure as a service and DRaaS (disaster recovery as a service) Cyber Essentials Accreditation. CrowdStrike /Mimecast protection Vulnerability management system – Rapid 7

Risk	Nature of Risk and Risk Appetite	Mitigation
Customer poverty, financial hardship & the inability to pay rent	Our customers' ability to pay rent is a key risk to the business that we have limited control over given the cost of living crisis and external political environment. Risk Appetite – averse	Income Management Strategy in place. Robust monitoring and management of Universal Credit claimants and impact on arrears. Arrears performance reporting. Community Investment team is in place to provide employment support and work training, including Financial Resilience team. Cost of living action plan.
Recruitment and retention	Recruitment and retention are crucial to the delivery of our corporate objectives, and the loss of skills and knowledge pose challenges in maintaining performance. Risk Appetite – moderate/open	People strategy in place with associated action plan. External salary benchmarking undertaken regularly. Competitive Terms and Conditions. Sharing Greatness bonus scheme rewarding colleagues. Recruitment specialists Feedback mechanisms, including regular Pulse surveys, used to ensure feedback is received from colleagues.
Sales programme	Exposure to the housing market through our large shared ownership sales programme poses risks to the business plan. Risk Appetite – open/moderate	Robust monitoring of exposure and performance in place via sales flash reporting to the Executive team. Monthly early warning monitor to track unsold stock. Stress testing on market exposure carried out at Board level. Challenging appraisal and approval processes, and a multiple outlet approach to reduce risk associated with large sites. Restructured and expanded Sales & Development Team.

Internal controls assurance

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public assets and money are safeguarded and properly accounted for, and that they are being used economically, efficiently and effectively.

A wide range of internal control mechanisms are in place and being operated to help the organisation meet its strategic objectives, to operate within the law, to make effective use of public money and to report activities accurately. These bring together information from all significant parts of the business and provide assurance to the Board that an effective system of internal controls is in place. The most significant sources are through:

- Our approach to assurance, based around the three lines of assurance model;
    - The 1st line of defence describes controls operated by day to day management
    - the 2nd line covers more independent checks carried out by other internal teams
    - the 3rd line incorporates external assurance obtained from auditors or regulators
- The existence of the Audit and Assurance Committee, with appropriate terms of reference;
- An independent internal audit function;
- Risk management framework;
- Financial and non-financial performance monitoring and management;
- Appropriate communications structures;
- Effective customer scrutiny arrangements;
- Effective strategies, policies and procedures; and
- External stakeholders, including the Regulator and accreditation bodies.

Internal Controls Framework

A comprehensive framework of internal controls is in place consisting of sources of assurance that, when brought together, provide a complete picture of all significant parts of the business. Great Places have a system of operational controls in place supported by risk management and compliance checks.

Audit work undertaken in 2022/23

During 2022/23, internal audit and assurance work was undertaken by Pricewaterhouse Coopers LLP (PwC) employing a risk based internal audit approach (approved by the Audit and Assurance Committee March 2022). The contract came to an end in March 2023 following a one year extension to the current contract. An OJEU compliant procurement process was undertaken to appoint new auditors with BDO appointed to provide internal audit services from April 2023 -March 2026.

Work carried out under the internal audit framework included 14 assurance reviews as per the forward plan covering a range of service areas and an additional assurance review conducted at the request of the Audit and Assurance Committee on Damp and Disrepair in response to housing quality concerns in the sector. The overall findings of the 14 reviews were:

- 0 high risk outcome
- 5 medium risk outcomes
- 9 low risk outcomes

In total, 43 individual findings were identified from the assurance reviews, broken down as follows:

- 1 high recommendation
- 14 medium recommendations
- 23 low recommendations
- 7 advisory recommendations

Internal audit follow up was conducted on two occasions (Q2 and Q4) during the year with 88% (82 out of 93 findings) of recommendations fully implemented, with a year on year cumulative implementation rate of 98%.

Internal controls assurance conclusion
The Board have reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board as being appropriate for that purpose. The Board is satisfied that there is sufficient evidence to confirm that adequate systems of internal control have existed and have operated throughout the year, and that those systems are aligned to the management of significant risks facing the organisation.

Modern Slavery

Great Places is required to adopt a Modern Slavery transparency statement outlining the steps that the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place part in any part of its business, including its supply chains. The Board of Great Places approves the statement annually and the full statement is published on the Great Places website. Modern Slavery is a core induction training module delivered to all Great Places new starters.

Donations

During the year ending 31 March 2023 the Group made no political contributions (2022: £nil) and any charitable donations were made during the course of its ordinary activities.

Going concern

The Board has a reasonable expectation that the Group 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. The planned merger with MSV will assist us in maintaining our financial strength and help us respond to the current increases in inflation and interest rates. Therefore the Board continues to adopt the going concern basis in the financial statements.

Annual general meeting

The annual general meeting will be held on 21 September 2023.

External auditors

We will be proposing to re-appoint Beever and Struthers as external auditors at the AGM on 21 September 2023.

Statement of compliance

In preparing the Strategic Report and the Report of the Board, the Board has followed the principles set out in the SORP 2018.

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 Group and Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Group and 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 Group and 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.

Insofar 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 3 August 2023 and signed on its behalf by:

P. Elvy
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING GROUP LIMITED

Opinion

We have audited the financial statements of Great Places Housing Group ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Group and Association Comprehensive Income Statements, Group and Association Statements of Financial Position, Group and Association Statements of Changes in Reserves, Group Cash Flow Statement and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's or Group'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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address these matters and, as required for listed entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Housing Properties – capitalisation of new build development costs

The Group's additions to properties under construction total £101.6m as at 31 March 2023 (2022: £70.8m). Refer to pages 36, 39, 40 and pages 44 and 45 (accounting policies) and pages 60 and 61 (financial disclosures).

The risk – significant risk high and material value
Development is a key activity for the Group. Judgements as to whether expenditure is capital or revenue in nature is an area that has a key impact on our audit approach. Our overall assessment of misstatement is therefore that housing property additions is a significant risk within our audit approach.

Our response
Our procedures included:

- **Test of detail**: We agreed a sample of capital additions in the year to invoice or certificate.
- **Review against accounting standards:** We reviewed amounts capitalised in our sample testing against guidance in FRS 102 and the Statement of Recommended Practice 2018.
- **Test of detail:** We considered the assessment of whether there was any evidence of impairment, in particular; for schemes under development.
- **Test of detail**: We confirmed that accruals have been made for significant development expenditure incurred up to 31 March 2023 but not yet invoiced.
- **Test of detail**: We reviewed the policy on overhead capitalisation and that the costs capitalised are directly attributable to developments.

Our results
Based on the audit procedures performed, we found the capitalisation of development costs to be acceptable.

Going concern - Financial Performance, Treasury Management, Loan Covenants and macro-economic climate

The risk – significant risk high value
The Group reported a surplus for the year of £21.4m before actuarial gains on pension schemes and fair value movements on the swaps. At 31 March 2023 the Group had borrowings of £692m (refer to page 41 (basis of accounting) and pages 66-69 (financial disclosures)).

The Group is operating in a current economic outlook that is volatile, uncertain and complex with rising inflation in the UK. There is a direct impact on the Group's activities and a growing cost of living crisis that directly affects the Group's tenants and residents. This implies a direct risk to the Group's ability to maintain income collection rates and increases the risk of arrears and bad debts. Stress testing business plans can illustrate the level of financial resilience and the Group's ongoing capability to manage sequences of negative events.

The risk is that the Group might have insufficient liquidity to finance its development programme or might breach a funding covenant set out within the agreements in place with a range of funders.

Our response

Our procedures included the following:

- **Confirmation of value:** We agreed loan balances to the accounting records and to external confirmation from the funders.
- **Test of detail:** We tested the detailed calculations for loan covenant compliance prepared by management, both for the year ended 31 March 2023 and projected future performance.
- **Review of business plan**: We have reviewed the Group's long term financial plans and covenant projections, and the underlying assumptions, to assess the Group's ability to service and repay the debt, including the availability of funding.
- **Review of stress testing**: We have reviewed the stress testing of the business plan and considered the potential impact on the financial statements, as well as on the Group's financial viability into the foreseeable future and its status as a going concern.

Our results

Our audit work concluded that all loan covenants calculations, as prepared by management, were met at 31 March 2023 and are expected to be met in the longer term.

The Group has forecasted to retain compliance with banking covenants now and for the foreseeable future with sufficient profitability and cash flows from operating activities. Across a range of stress testing scenarios, including those linked to macro-economic conditions, the Group remains comfortably within its funding covenants with adequate loan facilities.

We are therefore satisfied with management's assessment that the Group will remain a going concern.

Our Application of Materiality and an Overview of the Scope of the Audit

Materiality for the Group financial statements as a whole was set at £2.516m, determined with reference to a benchmark of Group turnover (of which it represents 1.5%). We consider group turnover to be the most appropriate benchmark, and more appropriate than a profit-based benchmark as the Group is a not-for-profit organisation that reinvests all surpluses generated from its activities within the Group and does not make any distributions of profit to external parties.

Materiality for the parent Association financial statements as a whole was set at £391k is, determined with reference to a benchmark of Association interest payable (of which it represents 1.5%).

We agreed to report to the Audit and Assurance Committee any corrected or uncorrected identified misstatements exceeding £126k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's reporting components, we subjected all to full scope audits for group purposes. The work on all components including the audit of the parent Association, was performed by the Group team.

Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board set out on pages 26 and 27, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

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

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, the National Housing Federation 2020 Code of Governance, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING GROUP LIMITED (continued)

Use of our report

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'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 Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Statutory Auditor:
Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 23/8/23

GREAT PLACES HOUSING GROUP LIMITED

Year ended 31 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 £'000	2022 £'000
Turnover	4	167,755	166,010
Operating costs	4	(98,940)	(88,883)
Cost of sales	4	(29,298)	(35,055)
Surplus on sale of fixed assets	5	6,394	4,690
Operating surplus	6	**45,911**	**46,762**
Interest receivable and similar income	7	2,149	273
Interest payable and financing costs	8	(27,105)	(26,959)
Movement in fair value of investment properties	14	370	1,178
Movement in fair value of financial instruments	8	-	-
Share of profit / (loss) in joint venture	7	32	(104)
Surplus on ordinary activities before taxation		**21,357**	**21,150**
Tax on surplus on ordinary activities	10	(7)	492
Surplus for the financial year		**21,350**	**21,643**
Actuarial (losses)/gains on defined benefit pension schemes	27	(1,640)	10,007
Movement in fair value of hedged financial instruments	8	20,251	13,719
Tax charge in relation to other comprehensive income	10	(50)	(29)
Other comprehensive income		**18,561**	**23,697**
Total comprehensive income for the year		**39,911**	**45,339**

All amounts relate to continuing activities.

The accompanying notes on pages 41 to 80 form part of these financial statements.

A. Davison
Board member

G. Page
Board member

P. Elvy
Secretary

GREAT PLACES HOUSING GROUP LIMITED

Year ended 31 March 2023

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 £'000	2022 £'000
Turnover	4	35	35
Cost of Sales	4	-	-
Operating costs	4	(49)	(34)
Operating deficit	6	**(14)**	**1**
Distribution from GPHA for pension liability	27	-	-
Interest receivable and other income	7	26,130	24,625
Interest payable and financing costs	8	(26,097)	(24,595)
Surplus on ordinary activities before taxation		**19**	**31**
Tax on surplus/(deficit) on ordinary activities	10	(4)	(6)
Surplus for the financial year		**15**	**25**
Actuarial (losses)/gains on defined benefit pension schemes	27	-	-
Tax charge in relation to other comprehensive income	10	-	-
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**15**	**25**

All amounts relate to continuing activities.

The accompanying notes on pages 41 to 80 form part of these financial statements.

A. Davison
Board member

G. Page
Board member

P. Elvy
Secretary

GREAT PLACES HOUSING GROUP LIMITED

Year ended 31 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Note	2023 £'000	2022 £'000
Tangible fixed assets			
Housing properties	13	1,436,206	1,360,162
Investment properties	14	25,094	24,690
Other tangible fixed assets	15	13,145	13,401
Total tangible fixed assets		**1,474,445**	**1,398,253**
Fixed asset investments			
Homebuy loans	16	5,395	5,892
Fixed asset investments	17	699	708
Associated undertaking	17	45	-
Investment in joint venture	17	3,249	2,095
Total fixed asset investments		**9,388**	**8,695**
Total fixed assets		**1,483,833**	**1,406,948**
Current assets			
Stock and work in progress	18	43,789	37,332
Debtors	19	32,289	15,010
Investments	20	8,214	16,749
Cash and cash equivalents		96,369	121,890
Total current assets		**180,661**	**190,981**
Creditors: Amounts falling due within one year	21	(121,591)	(87,360)
Net current assets		**59,070**	**103,621**
Total assets less current liabilities		**1,542,903**	**1,510,570**
Creditors:			
Creditors falling due after more than one year	22	(1,309,226)	(1,316,126)
Pension liability	27	(11,640)	(12,367)
Provision for liabilities	28	(287)	(237)
Net assets		**221,750**	**181,839**
Capital and reserves			
Share capital (non-equity)	30	-	-
Income and expenditure reserve		224,240	204,227
Revaluation reserve		5,271	5,642
Designated reserve		122	104
Cash flow hedge reserve		(7,883)	(28,134)
Consolidated funds		**221,750**	**181,839**

The accompanying notes on pages 41 to 80 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 3 August 2023 and signed on its behalf by:

A. Davison
Board member

G. Page
Board member

P. Elvy
Secretary

ASSOCIATION STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Note	2023 £'000	2022 £'000
Tangible fixed assets			
Other tangible fixed assets	15	-	-
Fixed asset investments	17	282	247
Total fixed assets		**282**	**247**
Debtors: Amounts falling due after one year	19	578,403	607,101
Current assets			
Debtors	19	21,530	17,642
Investments	20	-	9,026
Cash and cash equivalents		21	6,031
		21,551	**32,699**
Creditors: Amounts falling due within one year	21	(21,202)	(32,330)
Net current assets		**349**	**369**
Total assets less current liabilities		**579,034**	**607,717**
Creditors:			
Amounts falling due after more than one year	22	(578,403)	(607,101)
Pension liability	27	-	-
Net assets		**631**	**616**
Capital and reserves			
Share capital (non-equity)	30	-	-
Income and expenditure reserve		631	616
Association's funds		**631**	**616**

The accompanying notes on pages 41 to 80 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 3 August 2023 and signed on its behalf by:

A. Davison	G. Page	P. Elvy
Board member	Board member	Secretary

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

	Cash flow hedge reserve	Revaluation reserve	Designated reserve	Income and expenditure reserve	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
As at 1 April 2021	(41,853)	4,479	123	173,751	136,500
Surplus for the year	-	-	-	21,642	21,642
Actuarial losses on pension scheme	-	-	-	10,007	10,007
Fair value adjustments of financial instruments	13,719	-	-	-	13,719
Tax credit in relation to other comprehensive income	-	-	-	(29)	(29)
Interest credited from I&E reserve	-	-	-	-	-
Transfers	-	1,163	(19)	(1,144)	-
As at 31 March 2022	**(28,134)**	**5,642**	**104**	**204,227**	**181,839**
Surplus for the year	-	-	-	21,350	21,350
Actuarial gain on defined benefit pension schemes	-	-	-	(1,640)	(1,640)
Fair value adjustments of financial instruments	20,251	-	-	-	20,251
Tax charge in relation to other comprehensive income	-	-	-	(50)	(50)
Interest credited from I&E reserve	-	-	(2)	2	-
Transfers	-	(371)	20	351	-
As at 31 March 2023	**(7,883)**	**5,271**	**122**	**224,240**	**221,750**

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve	Total
	£'000	**£'000**
As at 1 April 2021	591	591
Surplus for the year	25	25
Actuarial gains on defined benefit pension schemes	-	-
Tax credit in relation to other comprehensive income	-	-
As at 31 March 2022	**616**	**616**
Surplus for the year	15	15
Actuarial losses on defined benefit pension schemes	-	-
Tax charge in relation to other comprehensive income	-	-
As at 31 March 2023	**631**	**631**

The accompanying notes on pages 41 to 80 form part of these financial statements.

GREAT PLACES HOUSING GROUP LIMITED

Year ended 31 March 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

	2023 £'000	2022 £'000
Cash flows from operating activities		
Surplus for the financial year	21,350	21,642
Non cash adjustments to surplus:		
Depreciation of housing properties	22,211	20,897
Depreciation of fixed assets - other	1,291	1,109
Impairment – housing properties	-	-
Amortised grant	(6,547)	(6,405)
Share of profit / (loss) in joint venture	-	-
Adjustment for investing or financing activities:		
Surplus on the sale of fixed assets	(6,394)	(4,690)
Proceeds from sale of fixed assets	20,861	16,897
Cost of sales on properties developed for sale	27,567	33,111
Interest payable and finance costs	27,105	26,959
Interest received	(2,149)	(273)
Taxation expense	7	(492)
Other adjustments to surplus:		
Net fair value (gains) recognised in profit or loss	(370)	(1,178)
Difference between net defined benefit pension expense and cash contribution	(2,367)	(3,008)
Adjustment for working capital:		
Cash expenditure on developing property for resale	(31,900)	(34,341)
(Increase)/decrease in trade and other debtors	(5,061)	2,801
Increase in stocks	(1,924)	(66)
Increase/(decrease) in trade and other creditors	8,554	(2,986)
Cash from operations	**72,234**	**69,977**
Corporation tax paid	281	445
Net cash generated from operating activities	**72,515**	**70,422**

The accompanying notes on pages 41 to 80 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	2023 £'000	2022 £'000
Cash flows from investing activities		
Purchase and construction of fixed asset housing properties	(112,831)	(78,980)
Social housing grant received	47,008	24,950
Homebuy loans repaid	497	241
Fixed asset investments	(1,177)	(1,163)
Purchase of other fixed assets	(950)	(1,709)
Purchase and construction of investment properties	(119)	(415)
Decrease/(Increase) in cash collateral held by counterparties	493	(1,689)
Decrease/(Increase) in swap collateral	8,042	13,099
Interest received	2,149	273
Net cash used in investing activities	**(56,888)**	**(45,393)**
Cash flows from financing activities		
Interest paid	(31,385)	(32,469)
Loan issue costs and other fees incurred	(829)	(21)
Loans received	-	-
Loans repaid	(8,934)	(8,771)
Net cash from financing	**(41,148)**	**(41,261)**
(Decrease) / Increase in cash	**(25,521)**	**(16,232)**
Cash at beginning of year	**121,890**	**138,122**
Cash at end of year	**96,369**	**121,890**

The accompanying notes on pages 41 to 80 form part of these 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

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for the Group included the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, 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 2022.

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBEs. In preparing the separate financial statements of the parent Association, advantage has been taken of the disclosure exemptions available in FRS 102 insofar as no cash flow statement has been presented for the parent Association.

Basis of consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Going concern

The Group’s latest Business Plan, including sensitivity analyses and stress testing, demonstrates that the Group has sufficient funding facilities in place that will meet planned development and other expenditure, and that it is fully able to service its debt facilities. After a thorough review including considering all assets, liabilities and commitments the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due.

The Group is able to mitigate a worst case scenario and avoid a covenant breach by managing the timing of development and repairs expenditure among other mitigating actions. Further the Group has access to undrawn loan facilities set out in note 26.

The Board has a reasonable expectation that the Group 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. Therefore the Board continues to adopt the going concern basis in the financial statements.

The planned merger with MSV is predicated on improving our future resilience as a business. The group is aiming to achieve this with improved financial strength and robust governance, both organisations have G1 / V2 ratings.

2. Accounting policies (continued)

Income

Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- Sale of first tranche Low Cost Home Ownership and other housing properties developed for sale;
- Service charge receivable; and
- Revenue grants and amortisation of capital grants.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from first tranche sales, properties built for outsight sales and proceeds from the sale of land or property are recognised at completion of the sale.

Rent and service charge agreements

The Group 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.

The Group 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.

Grants

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.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income in the year.

Interest payable

Interest is capitalised on borrowings to finance developments up to the date of practical completion if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
b) interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income statement in the year.

2. Accounting policies (continued)

Leased assets
Where assets are financed by leasing agreements that give rights similar to ownership (finance leases), the assets are treated as if they have been purchased outright. The assets leased by the Group under finance leases are Investment Properties and are therefore accounted for under FRS 102 as Investment Properties. The corresponding leasing commitments are shown as amounts payable to the lessor. Leased assets are depreciated over the life of the lease or their estimated useful economic lives in the business, if shorter.

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

All other leases are treated as operating leases. The annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Derivative instruments and hedge accounting
The Group holds floating rate loans which expose the Group to interest rate risk. To mitigate this risk the Group uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against existing drawn floating rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve.

It is the Association which is the legal party to the swap agreements, but its subsidiary GPHA has indemnified the Association against any obligations in relation to the swaps. Therefore the ultimate cost is borne by GPHA and the Association shows an equal gain and loss in relation to its fair value asset due from GPHA (note 20) and the fair value liability to the swap counterparties (notes 21 and 22). The swap fair values have been obtained from the valuations provided by the swap counterparties at each reporting date and compared with valuations obtained from the Group's treasury advisors for assurance.

Taxation - Current and deferred taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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 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.

2. Accounting policies (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

VAT
GPHA, Plumlife and Cube are VAT registered as part of the Group's registration. A large proportion of their income, (rents and service charges) are exempt for VAT purposes thus giving rise to a partial exemption calculation. Terra Nova is registered separately for VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Property managed by agents
Where the Group carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income of the Group. Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates to the Group. Where revenue grants are claimed by the Group, these are included as income in the Statement of Comprehensive Income to the extent that they are passed to the agent.

Tangible fixed assets

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.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised. Works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as 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 25% 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 (PPE) 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.

2. Accounting policies (continued)

Depreciation of housing properties
Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Structure	100 years	Heating systems	15*- 25 Years
Roofs	60 Years	External doors	25 Years
Bathrooms	25 Years	Solar and photovoltaic panels	25 Years
Windows	25 Years	Kitchens	20 Years
Lifts	25 years	Boilers	12 Years
Electrical rewire**	25 years		

* Where Boilers were included within the heating system.
** Not normally a component within Great Places but this has been a component where properties have transferred into the association.

Donated land
Land donated by local authorities and other government sources is 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.

Impairment
The housing property portfolio for the Association is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or Cash Generating Units (“CGUs”) for which impairment is indicated to their recoverable amounts. Initially the Association compares the fair value less costs to sell by reference to EUV-SH. If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a Depreciated Replacement Cost (“DRC”) for each CGU.

The DRC will be based upon the lower of:

- the cost of constructing an equivalent asset on the same site together with the original land costs; or
- the cost of acquiring an equivalent asset on the open market.

The Association defines CGUs as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger generating units. Where the recoverable amount of an asset or CGU is lower than its carrying value an impairment is recorded through to the income statement.

Stock swaps
Housing properties acquired from other social landlords in exchange for non-monetary assets, or a combination of monetary and non-monetary assets, are measured at fair value. Where there is government grant associated with housing properties acquired as part of the stock swap, the obligation to repay or recycle the grant transfers to the Association. The fair value of the properties is included within property, plant and equipment and accordingly no grant is disclosed within creditors. In the event of the housing properties being disposed, the Association is responsible for the recycling of the grant.

2. Accounting policies (continued)

Other tangible fixed assets
Other fixed assets, other than investment properties, are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Freehold and leasehold office property	50 years
Office equipment, fixtures and fittings	4 to 25 years
ICT equipment	3 to 4 years
Software	4 to 5 years

Investment properties
Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from either Market Value – Vacant Possession (MV-VP) or Market Value – Subject to Tenancies (MV-ST). The rental income of each property has been individually assessed and for certain properties it has been ascertained that in arriving at MV-ST no deduction from the prevailing MV-VP needs to be made. No depreciation is provided. Changes in fair value are recognised in the income statement.

Capitalisation of overheads
Colleagues who work on the component replacement programme are capitalised and depreciated over the life of the component. Salaries of the assets team are apportioned over the programmes completed within the year.

Fixed asset Investments

Homebuy loans
Homebuy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest and any impairment loss is recognised in the income statement to the extent that it cannot be offset against the Homebuy grant. Grant relating to Homebuy equity is recognised as deferred income until the loan is redeemed and the grant becomes recyclable when the loans are repaid up to the amount of the original grant and to the extent that the proceeds permit. The Group is able to retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the property. If there is a fall in the value of the property the shortfall in proceeds is offset against the recycled grant.

Associates and joint ventures
An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside of the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor’s share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the Group's share of the

2. Accounting policies (continued)

operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Other fixed asset Investments
All other investments are accounted for at cost less impairment.

Properties for sale
Shared ownership properties where the first tranche is unsold, completed properties for outright sale and properties under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal. They are also reviewed for impairment as part of determining the net realisable value.

Materials stock
Stock is stated at the lower of cost and net realisable value. Costs comprise parts and materials for use by our in house repairs team for the repair of our housing properties. Stocks are valued at purchase price using the first in, first out method. Materials stock is held in the Distribution Centre and in the van fleet.

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

Investments
All investments held by the Association are classified as basic financial instruments in accordance with FRS 102. These instruments 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. Investments that are receivable within one year are not discounted. Loans that are payable within one year are not discounted. Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the income statement. At each year end, the instruments are revalued to fair value, with the movements posted to the income statement (unless hedge accounting is applied).

Contingent liabilities
A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

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

2. Accounting policies (continued)

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

Finance costs
The cost of raising loan finance is initially capitalised and offset against the loan principal and is amortised to the income statement on a straight line basis over the term of the loan.

Any discount or premium realised on the issue of a bond or similar financial asset or financial liability is capitalised and offset or added to the bond or loan principal, and is then amortised to the income statement on an effective interest rate basis over the term of the asset.

Government grants
Government grants include grants receivable from Homes England, local authorities, and other government organisations. Grant in relation to newly acquired or existing housing properties is accounted for using the accruals 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 statement on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the SORP the useful life of the housing property structure has been used and, where applicable, its individual components (excluding land).

Where social housing grant funded property is sold, the grant becomes 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 income statement.

Other Government Grant taken to income includes furlough payments received or receivable during the year. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund
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 – borrowings – Negative compensation and funding indemnity clauses
The Association’s loan facilities have been assessed as basic financial instruments. The Association’s fixed rate loan facilities allow early payment of the principal and accrued interest in relation to fixed interest tranches. There is an indemnity clause that requires the borrower to pay a compensation premium to the lender if market rates have fallen since the inception of the loan. There is also a clause that means that if market rates have increased, the borrower (i.e. the Association) would benefit from a compensation premium.

The Association does not consider that the clause allowing the Association to potentially receive a compensation premium upon early repayment of some or all of the fixed rate loan liability makes this financial instrument “non-basic” or “other” as outlined in FRS 102 section 11. The Association considers that this particular loan clause is

2. Accounting policies (continued)

specifically compliant with sections 11.9b and 11.9c of FRS 102 and that the substance of this loan arrangement was that it was always intended to be a simple fixed rate loan arrangement.

Pensions
The Group participates in three funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) and two Local Government Pension Schemes (LGPS) one administered by the South Yorkshire Pension Authority (SYPA) and the second administered by the Great Manchester Pension Fund (GMPF). At 31 March 2023 there were 127 active members of the SHPS scheme, three active members of the SYPA scheme and one active member of the GMPF scheme. The SHPS defined benefit scheme closed in March 2022.

For these schemes, assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and are discounted as appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

The Group also participates in a defined contribution scheme operated by the Social Housing Pension Scheme with around 800 active members. Contributions payable under this scheme are charged in the Income statement in the period to which they relate.

Reserves
The Group designates those reserves which have been set aside for uses which, in the judgement of the Directors, prevent them from being regarded as part of the free reserves of the Association. The only reserve which constitutes free reserves is the Income and Expenditure reserve.

The Group has a reserve that is designated for use in the support, training and development of apprentice maintenance employees. The revaluation reserve is created from surpluses on the revaluation of investment properties held by the Group.

The Association has a cash flow hedge reserve which is used for the effective hedges that are in place for the standalone interest rate swap agreements. Where an effective hedge is in place the fair value movement on the swap is recognised in the cash flow hedge reserve. Where that is no effective hedge it is recognised in the revenue reserve.

Gift Aid
The Boards of Cube, Terra Nova and Plumlife agree prior to year-end, and based on management accounts reports and cash position an amount of their surplus / profit payable to GPHA. Dependant on whether GPHA is the parent organisation these funds will be paid over either prior to the 31 March or within nine months of the year end as per the board decision.

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

The preparation of financial statements in compliance with accounting principles requires the use of certain critical accounting estimates and judgements. The material areas of either estimation or judgement are set out below. Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events.

- Whether there are indicators of impairment of the Group'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 or depreciated replacement cost.

- A consideration of the anticipated costs to complete on a development scheme. This includes the expected further construction costs, the effective rate of interest on loans during the construction period, legal costs and other any other costs to completion. Based on the costs to complete, we then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the Executive Directors' best estimate of sales value based on economic conditions within the area of development, and using information available regarding local sales prices.

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

- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties 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.

- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.

- The recoverability of the rent receivable balances outstanding at year end.

- Cash collateral held by third parties is reported under current asset investments. This provides greater clarity to users of the financial statements by clearly differentiating investment related balances from other debtors.

- Interest rate derivatives (IRDs, or "swaps") are valued by the bank counterparties, based on their estimated value of their exposure on each agreement. Market rates change over time and the value of the IRD agreements will oscillate depending on the movement of interest rates and UK gilt yields. Generally, if rates move up the value of the contract to the lender will decrease, and if rates fall the value of the contract to the lender will increase.

- The actuarial valuation of the two local government pensions schemes showed a surplus position of £1,449k (2022: deficit £243k) at the year end. Due to the level of this that could be recoverable, no asset is shown in the accounts.

- A legal dispute has been settled post year end in relation to an ongoing issue with regards to solar panel supply, due to the value of this being deemed as immaterial the amount has not been provided for.

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

Key sources of estimation uncertainty

Investment Properties
Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers (refer to note 2). The fair value of the property held within these investments is estimated noting there is difficulty in predicting the outlook of the UK property market. A sensitivity analysis is provided for the Group below. The Association has no Investment Properties.

	Change in assumption	Change in value (£'000)
Investment Properties	Increase/decrease of 10%	2,510

Tangible fixed assets (notes 13 to 15)
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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.

The table below shows the financial impact to changes to the useful economic lives.

Component	Change in assumption	Increase in annual charge (£'000)
Roof	Component life reduced from 60 to 50 years	136
Windows	Component life reduced from 25 to 20 years	376
Kitchen	Component life reduced from 20 to 15 years	982
Bathroom	Component life reduced from 25 to 20 years	342
Boiler	Component life reduced from 15 to 10 years	892

Pensions
The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. The table below shows the financial impact to changes in those assumptions.

	Change in Assumption	Change in Liabilities (%)	Change in Liabilities (£'000)
Discount Rate	Increase of 0.1% p.a.	decrease by 1.7%	(1,139)
Rate of inflation	Increase of 0.1% p.a.	increase by 1.6%	1,072
Rate of salary growth	Increase of 0.1% p.a.	increase by 0.1%	67
Rate of mortality	Probability of surviving each year increased by 10%	increase by 1.7%	1,139

Bad Debt provision

Bad debts are provided for dependent on whether a customer is still a tenant and on the age of the debt. No changes we're applied to these assumptions this year, although some were for the year ended March 2022. If a further 10% of our debts over £1k was applied this would see a change in value of £386k.

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

GROUP				2023
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	**121,344**	**-**	**(89,331)**	**32,013**
Other social housing activities				
First tranche shared ownership sales	20,834	(17,687)	-	3,147
Housing First	3,426	(1,731)	(1,312)	383
Support Contracts	1,938	-	(1,841)	97
Properties managed but owned by other organisations	949	-	(716)	233
Materials supply to other housing provider	-	-	-	-
Community / neighbourhood services	220	-	(1,630)	(1,410)
Other social housing	2,201	-	(1,847)	354
	29,568	**(19,418)**	**(7,346)**	**2,804**
Non-social housing activities				
Developments for sale	13,480	(9,880)	(546)	3,054
Market and commercial rented	1,998	-	(1,023)	975
Other non-social housing	1,365	-	(693)	672
	16,843	**(9,880)**	**(2,263)**	**4,700**
Surplus on disposal of fixed assets (note 5)				6,394
	167,755	**(29,298)**	**(98,940)**	**45,911**

ASSOCIATION				2023
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating deficit £'000
Materials supply to other housing provider	-	-	-	-
Other	35	-	(49)	(14)
	35	**-**	**(49)**	**(14)**

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

GROUP				2022
	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings	**114,808**	**-**	**(79,700)**	**35,108**
Other social housing activities				
First tranche shared ownership sales	22,585	(19,568)	-	3,017
Housing First	3,454	(1,944)	(1,268)	242
Support Contracts	1,828	-	(1,737)	91
Properties managed but owned by others	920	-	(680)	240
Materials supply to other housing provider	-	-	-	-
Community / neighbourhood services	249	-	(979)	(730)
Other social housing	1,747	-	(1,701)	46
	30,783	**(21,512)**	**(6,365)**	**2,906**
Non-social housing activities				
Developments for sale	17,395	(13,543)	(717)	3,135
Market and commercial rented	1,814	-	(1,302)	512
Other non-social housing	1,210	-	(799)	411
	20,419	**(13,543)**	**(2,818)**	**4,058**
Surplus on disposal of fixed assets (note 5)				4,690
	166,010	**(35,055)**	**(88,883)**	**46,762**

ASSOCIATION				2022
	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000
Management and development services	-	-	(1)	(1)
Materials supply to other housing provider	-	-	-	-
Other	35	-	(33)	2
	35	**-**	**(34)**	**1**

Particulars of income and expenditure from social housing lettings for the Group are shown on the table overleaf.

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

GROUP

	General needs housing £'000	Supported housing* £'000	Low cost home ownership £'000	Key worker housing £'000	Total 2023 £'000	Total 2022 £'000
Rent receivable net of service charges	82,412	8,812	7,599	289	99,112	93,297
Service charge income	3,965	5,213	2,587	-	11,765	11,405
Amortisation of government grants	4,958	894	690	-	6,542	6,397
Other income	1,339	1,839	747	-	3,925	3,709
Turnover from social housing lettings	**92,674**	**16,758**	**11,623**	**289**	**121,344**	**114,808**
Management	(19,138)	(2,966)	(5,063)	(65)	(27,232)	(21,992)
Service charge costs	(3,993)	(5,998)	(2,581)	(83)	(12,655)	(12,009)
Routine maintenance	(14,348)	(611)	(94)	(2)	(15,055)	(12,342)
Planned maintenance	(3,544)	(71)	(15)	-	(3,630)	(2,935)
Major repairs expenditure	(7,315)	120	(153)	(100)	(7,448)	(9,132)
Bad debts	(546)	(290)	(83)	(3)	(922)	(135)
Property lease charges	(92)	(11)	-	-	(103)	(183)
Depreciation of housing properties:						
-annual charge	(17,145)	(2,030)	(1,765)	(25)	(20,965)	(20,272)
-accelerated on disposal of components	(1,178)	-	-	-	(1,178)	(553)
Impairment of housing properties	-	-	-	-	-	-
Other costs	(142)	(1)	-	-	(143)	(147)
Operating expenditure on social housing lettings	**(67,441)**	**(11,858)**	**(9,754)**	**(278)**	**(89,331)**	**(79,700)**
Operating surplus on social housing lettings	**25,233**	**4,900**	**1,869**	**11**	**32,013**	**35,108**
Void Losses	502	191	8	24	725	520

** Supported Housing includes Housing for Older People*

5. Surplus on sale of fixed assets – housing properties

	Disposal proceeds £'000	Carrying value of asset £'000	Capital grant recycled £'000	Total Surplus 2023 £'000	Total Surplus 2022 £'000
Shared Ownership	7,933	(4,141)	(1,223)	2,569	2,251
Other Housing properties	13,208	(7,893)	(1,738)	3,577	2,271
Homebuy	770	(26)	(496)	248	168
Investment properties	-	-	-	-	-
Total	**21,911**	**(12,060)**	**(3,457)**	**6,394**	**4,690**

ASSOCIATION

The Association made no sales of fixed assets (2022:nil).

6. Operating surplus

This is arrived at after charging:

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Depreciation of housing properties	20,969	20,282	-	-
Accelerated depreciation on component disposal	1,178	553	-	-
Impairment of housing properties	85	182	-	-
Depreciation of other tangible fixed assets	1,206	927	-	-
Amounts paid under operating leases:				
-Land and buildings	103	182	-	-
-Vehicles	179	628	-	-
-Photocopiers and printers	205	11	-	-
Auditors' remuneration (excluding VAT)				
-for the audit of the financial statements	166	143	45	35
- for other services such as professional fees	42	31	-	-

7. Interest receivable and other income

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Interest receivable and similar income	2,043	168	-	-
Intra group interest receivable	-	-	26,097	24,595
Interest receivable from joint ventures	73	4	-	-
Interest from Fixed Asset Investments	33	101	33	30
Income from Fixed Asset Investments	32	(104)	-	-
	2,181	169	26,130	24,625

8. Interest payable and financing costs

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Loans and bank overdrafts	28,437	27,733	26,097	24,595
Net interest payable on pension liabilities	297	522	-	-
Finance leases	248	608	-	-
Payable on recycled grant	255	21	-	-
Arrangement fees amortised or written off	386	855	-	-
Other finance costs including non-utilisation fees and commitment fees	829	876	-	-
	30,452	30,615	26,097	24,595
Interest payable capitalised on housing properties	(3,347)	(3,656)	-	-
	27,105	**26,959**	**26,097**	**24,595**
Other financing costs				
Gain on fair value of non-hedged derivative instruments	-	-	-	-
Financing costs through other comprehensive income				
(Gain) on fair value of hedged derivative instruments	(20,251)	(13,719)	-	-
	6,854	**13,240**	**26,097**	**24,595**

8. Interest payable and financing costs (continued)

Other financing costs include non-utilisation and commitment fees paid, and arrangement fees amortised or written off. Capitalised interest was charged at rates of 0.5% (2022: 0.5%) receivable and 4.47% (2022: 4.77%) payable, based on the average weighted cost of borrowing during the year. Finance Lease interest payable includes a current year adjustment to align the figures to accounting policy.

9. Gift aid

In respect of the year ended 31 March 2023 the following gift aid payments were made to GPHA by subsidiary and group undertakings, these transactions are eliminated on consolidation:

	2023 £'000	2022 £'000
Plumlife Homes Ltd	-	580
Terra Nova Developments Limited	-	-
Cube Homes Limited	3,750	-
	3,750	**580**

Cube Homes Limited made a gift aid payment of £2,000k (included in £3,750k) on 8 June 2022, as agreed by their Board on 16 March 2022, this directly related to Cube Homes Limited's financial performance for 2021/22.

10. Tax on surplus on ordinary activities

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current tax charge for the year	44	8	4	6
Current tax adjustment in respect of prior years	(37)	(500)	-	-
UK corporation tax charge/(credit) for year	7	(492)	4	6
Deferred tax				
Origination and reversal of timing differences	50	(42)	-	-
Adjustments in respect of prior periods	-	6		
Effect of tax rate change on opening balance	-	68		
Losses and other deductions	-	(3)	-	-
Deferred tax - note 11	50	29	-	-
Tax on surplus	**57**	**(463)**	**-**	**-**

10. Tax on surplus on ordinary activities (continued)

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Surplus before tax	21,357	21,150	19	31
Tax on profit on ordinary activated at standard CT rate of 19% (2022: 19%)	4,032	4,016	4	6
Effects of:				
Exempt charitable activities	(8,760)	(3,803)	-	-
Fixed asset differences	(24)	(42)	-	-
Expenses not deductible for tax purposes	4,995	35	-	-
Income not taxable for tax purposes	(79)	(6)	-	-
Chargeable gains/(losses)	71	-	-	-
Adjustments to tax charge in respect of previous periods	(38)	534	-	-
Adjustments to tax charge in respect of previous periods - deferred tax	-	6	-	-
Gift Aid payments (including post year-end)	380	(490)	-	-
Deferred tax not recognised	(532)	-	-	-
Deferred tax charge	-	(490)	-	-
Group relief surrendered / (claimed)	-	(278)	-	-
Tax rate change	12	-	-	-
Remeasurement of deferred tax for changes in tax rates	-	57	-	-
Tax Charge for the period	**57**	**(463)**	**4**	**6**

The aggregate current and deferred tax relating to items recognised in other comprehensive income for the group and the Association, arising from timing differences in relation to the SHPS pension scheme, is a charge of £50k (2022: £29k).

11. Deferred tax

	Group		Association	
	2023	2022	2023	2022
	£’000	£’000	£’000	£’000
At 1st April	237	208	-	-
Fixed asset timing differences	50	19	-	-
Short term timing differences	-	7	-	-
Under / (over) provided	-	6	-	-
Losses and other deductions	-	(3)	-	-
At 31 March	287	237	-	-

12. Directors and members emoluments

The non-executive directors and the Chief Executive of the Group and Association are the members of the Board.

The table below includes the emoluments associated with the directors and members, including those of the executive directors. Executive directors include the Chief Executive and those officers who are executive directors and who report directly to the Chief Executive.

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Executive directors	1,161	908	-	-
Non-Executive directors	98	101	-	-
	1,259	1,009	-	-

The number of Group and Association Executive Directors who received emoluments (including pension contributions, and performance bonus) in the following ranges are shown in the table that follows:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
£30,001 to £40,000	-	1	-	-
£150,001 to £160,000	-	3	-	-
£160,001 to £170,000	4	-	-	-
£170,001 to £180,000	1	1	-	-
£200,001 to £210,000	-	1	-	-
£210,001 to £220,000	1	-	-	-

The ranges shown above are in relation to the Group's executive directors who were paid solely in respect of the performance of their duties. Emoluments of the highest paid Group and Association Executive was the Chief Executive Officer who received emoluments, excluding pension contributions, totalling £197k (2022: £195k). The Chief Executive is an ordinary member of the Social Housing Pension Scheme. The scheme is a defined contribution salary sacrifice scheme funded by contributions from the employer and employee. A contribution of £19k (2022: £13k) was paid by the employer.

On 1 April 2010, the Social Housing Pension Scheme ("SHPS") started to collect contributions in respect of historic pension deficits through a lump sum payment levied on the employer, rather than a percentage that could be directly attributed to individual SHPS members. As such the historic deficit pension contributions relating to the Executive Directors cannot be ascertained and are not included in the figures above.

12. Directors and members (continued)

Non-Executive Directors

The fees and expenses paid by the Association during the year to the non-executive Directors, its subsidiary Boards and its Committees, are shown in the following table:

Name	Date served (if not for whole period)	GPHG	GPHA	PLUMLIFE	TERRA NOVA	CUBE	A&AC	R&AC	2023 £'000	2022 £'000
Anthony Davison	-	✓	✓	✓	✓			✓	19	19
Christine Amyes	-	✓	✓	✓	✓			✓	11	9
Jenny Rayner	To 16/9/2021	[redacted]							-	5
Celia Cashman	To 31/12/2021								-	6
David Robinson	-	✓	✓	✓	✓	✓			11	11
Jerry Green	To 16/9/2021	[redacted]							-	5
Michael Hanson	To 25/6/2022	✓	✓	✓	✓		✓		3	9
Mervyn Jones	-	✓	✓	✓	✓			✓	8	8
Nahim Ruhi-Khan	From 16/9/2021	✓	✓	✓	✓		✓		8	4
Patrick Ricketts	From 16/9/2021	✓	✓	✓	✓		✓		8	4
Sandra Palmer	From 16/9/2021	✓	✓	✓	✓			✓	8	4
Babar Ahmad	-					✓			4	4
Grenville Page	-	✓	✓	✓	✓		✓		10	8
Emma Mountford	-					✓			4	4
John Williamson	From 9/12/2021					✓			4	1
*A&AC is Audit and Assurance Committee	** R&AC is Remuneration and Appraisal Committee								**98**	**101**

Staff Remuneration (including Executive Directors)

The full time equivalent number of staff whose remuneration is £60,000 or more (including pension contributions) is disclosed below:

	Group 2023 No.	Group 2022 No.	Association 2023 No.	Association 2022 No.
£60,001 to £70,000	21	10	-	-
£70,001 to £80,000	14	7	-	-
£80,001 to £90,000	6	8	-	-
£90,001 to £100,000	7	3	-	-
£100,001 to £110,000	1	1	-	-
£110,001 to £120,000	1	-	-	-
£130,001 to £140,000	1	-	-	-
£150,001 to £160,000	-	3	-	-
£160,001 to £170,000	4	-	-	-
£170,001 to £180,000	1	1	-	-
£200,001 to £210,000	-	1	-	-
£210,001 to £220,000	1	-	-	-

13.Tangible fixed assets – housing properties

	Social housing properties held for letting	Housing properties for letting under construction	Completed shared ownership housing properties	Shared ownership housing properties under construction	Other social housing properties held for letting	Total housing properties
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 1 April 2022	1,217,065	114,550	215,283	33,253	1,048	1,581,199
Additions	656	65,057	208	33,149	-	99,070
Components capitalised	13,746	-	-	-	-	13,746
Interest capitalised	-	1,289	-	1,858	-	3,147
Schemes completed	45,931	(45,916)	13,471	(13,471)	-	15
Disposals	(14,287)	-	(5,583)	-	-	(19,870)
Component disposals	(3,583)	-	-	-	-	(3,583)
As at 31 March 2023	**1,259,528**	**134,980**	**223,379**	**54,789**	**1,048**	**1,673,724**
Depreciation and impairment						
Opening balance	(208,712)	-	(12,136)	-	(189)	(221,037)
Charged in year	(19,192)	-	(1,768)	-	(10)	(20,970)
Disposal	1,962	-	380	-	-	2,342
Component disposals	2,147	-	-	-	-	2,147
As at 31 March 2023	(223,795)	-	(13,524)	-	(199)	(237,518)
NBV as at 31 March 2023	**1,035,733**	**134,980**	**209,855**	**54,789**	**849**	**1,436,206**
NBV as at 31 March 2022	**1,008,353**	**114,550**	**203,147**	**33,253**	**859**	**1,360,162**

Interest capitalised

Cumulative interest capitalised in housing properties is £18,705k (2022: £15,558k).

Expenditure to works on existing properties

	2023	2022
	£'000	£'000
Amounts capitalised	13,746	10,204
Amounts charged to income statement	7,456	9,132
	21,202	**19,336**

Housing properties book value, net of depreciation impairment

	2023	2022
	£'000	£'000
Freehold land and buildings	1,137,923	1,051,391
Long leasehold land and buildings	298,283	308,772
	1,436,206	**1,360,162**

ASSOCIATION

The Association has no Housing Properties.

14. Tangible fixed assets – investment properties

GROUP

	Investment Properties completed	Investment Properties under construction	Investment Properties Total 2023	Investment Properties Total 2022
	£'000	£'000	£'000	£'000
At the beginning on the year	24,690	-	24,690	23,279
Additions	119	-	119	5,107
Transfers on completion	-	-	-	(4,692)
Disposals	-	-	-	-
Impairment	(85)	-	(85)	(182)
Revaluations	370	-	370	1,178
At the end of the year	**25,094**	**-**	**25,094**	**24,690**

The surplus on revaluation of investment properties is £370k (2022: £1,178k). Of this £370k (2022: £1,178k) has been credited to the revaluation reserve as it represents an increase to the original property values rather than a reversal of a previous negative revaluation.

The completed investment properties were valued at 31 March 2023 by Aspin and Company Chartered Surveyors on the basis of Market Value, as defined in the Valuation Global Standards of the Royal Institution of Chartered Surveyors ("Red Book Global").

If investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as shown below.

	2023	2022
	£'000	£'000
Gross cost	24,969	24,736
Accumulated depreciation based on historical cost	(5,613)	(5,410)
Historical cost net book value	**19,356**	**19,326**

ASSOCIATION

The Association has no investment properties (2022: nil).

15. Tangible fixed assets – other

GROUP	Freehold offices	Furniture and Equipment	IT and Computers	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 April 2022	11,887	552	4,308	16,746
Additions	232	-	718	950
Disposals	-	-	-	-
As at 31 March 2023	**12,119**	**552**	**5,026**	**17,696**
Depreciation and Impairment				
As at 1 April 2022	(1,451)	(195)	(1,699)	(3,345)
Charged in year	(194)	(97)	(915)	(1,206)
Released on disposal	-	-	-	-
As at 31 March 2023	**(1,645)**	**(292)**	**(2,614)**	**(4,551)**
NBV as at 31 March 2023	**10,474**	**260**	**2,412**	**13,145**
NBV as at 31 March 2022	10,436	357	2,609	13,401

ASSOCIATION

The Association has no tangible fixed assets.

16. Investments – Homebuy loans

GROUP	2023	2022
	£'000	£'000
At the beginning of the year	5,892	6,133
Loans redeemed	(497)	(241)
Reclassification	-	-
At the end of the year	**5,395**	**5,892**

ASSOCIATION

The Association has no Homebuy loans (2022: nil).

17. Investments - Fixed asset investment

GROUP

	Shared equity loans £'000	Inspiral £'000	Fixed asset investments total £'000
Cost			
As at 1 April 2022	461	247	708
Additions	-	-	-
Disposal or repayment	-	(9)	(9)
As at 31 March 2023	**461**	**238**	**699**
NBV as at 31 March 2023	**461**	**238**	**699**
NBV as at 31 March 2022	461	247	708

Inspiral Oldham Holding Company Limited ("Inspiral") is a company in which the Group has a 5% interest. The other party to the venture is Jura Holdings Limited. Inspiral owns 100% of the share capital of Inspiral Oldham Limited which is the Special Purpose Vehicle that operates the Gateways to Oldham PFI project.

	Associated undertaking KGP £'000	JV GMJV Fundco LLP £'000	JV Forge New Homes LLP £'000	Joint venture total £'000
Cost				
At the beginning of the year	-	739	1,356	2,095
Additions	45	222	900	1,122
Share of profit / (loss) in joint venture	-	-	32	32
Repayment	-	-	-	-
At the end of the year	45	961	2,288	3,249
NBV as at 31 March 2023	**45**	**961**	**2,288**	**3,249**
NBV as at 31 March 2022	-	739	1,356	2,095

Cube has entered into two joint venture arrangements, with the aim of generating returns from building homes for outright sale. The first arrangement is with nine other registered providers to create GMJV FundCo LLP. GMJV FundCo LLP, together with the Greater Manchester Combined Authority, have invested in Hive Homes (Greater Manchester) LLP. The second arrangement is with four other registered providers to create Forge New Homes LLP which plans to build 300 homes a year. Cube will be investing up to £3m as a mix of debt and equity into each of Hive Homes and Forge New Homes.

Keepmoat Great Places Limited ("KGP") is an associate company in which the Group has a 10% interest and exercises significant influence over the Board of KGP having two out of the five Board members of KGP. The other party to the venture is Keepmoat Limited. KGP in turn has a 50% share of Sheffield Housing Company Limited.

17. Investments - Fixed asset investment (continued)

ASSOCIATION	**Associated undertaking KGP £'000**	**Other Investments Inspiral £'000**
Cost		
As at 1 April 2022	-	247
Additions	44	-
Disposal or repayment	-	(9)
As at 31 March 2023	**44**	**238**

18. Stock and work in progress

GROUP

	2023 £'000	**2022 £'000**
Shared ownership properties:		
- completed	9,797	2,416
- under construction	15,694	20,759
Other properties for sale:		
- completed	-	1,189
- under construction	15,546	12,140
Materials stock	2,752	828
	43,789	**37,332**

The figures above include £2,879k (2022: £3,731k) of capitalised interest.

ASSOCIATION

The association has no stock and work in progress.

19. Debtors

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Rent and service charges receivable	10,153	7,317	-	-
Provision for bad and doubtful debts	(5,089)	(3,559)	-	-
	5,064	3,758	-	-
Due from subsidiary undertakings	-	-	20,790	13,527
Trade debtors	1,740	471	-	-
Social housing grant receivable	18,775	6,413	-	-
Others debtors	3,972	1,435	-	-
Interest rate swap (note 23c)	-	-	740	3,971
Corporation tax debtor	34	144	-	144
Prepayments and accrued income	2,704	2,789	-	-
	32,289	**15,010**	**21,530**	**17,642**
Due after more than one year				
Due from subsidiary undertakings	-	-	571,261	582,938
Interest rate swap (note 23c)	-	-	7,142	24,163
	-	**-**	**578,403**	**607,101**
Total debtors	**32,289**	**15,010**	**599,933**	**624,743**

20. Current asset investments

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
SWAP collateral held by counterparties	-	8,042	-	8,042
Monies held by loan counterparties	8,214	8,707	-	984
	8,214	**16,749**	**-**	**9,026**

The monies held by counterparties as collateral for loans or interest rate swaps are held separately to cash at bank.

21. Creditors: amounts falling due within one year

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 23a)	12,655	11,319	11,677	10,367
Obligations under finance leases (note 23b)	61	87	-	-
Interest rate swap (note 23c)	740	3,971	740	3,971
Deferred capital grant (note 24)	6,806	6,615	-	-
Recycled capital grant fund (note 25)	-	-	-	-
Trade creditors	1,078	1,480	-	-
Rent and service charges received in advance	4,164	2,332	-	-
SHG received in advance	39,142	11,942	-	-
Corporation tax	(92)	4	(135)	6
Other taxation and social security	764	651	-	-
Amounts owed to group undertakings	-	-	-	9,026
Leaseholder sinking funds	17,321	16,849	-	-
Other creditors	21,846	20,935	8,897	8,914
Accruals and deferred income	17,106	11,175	23	46
	121,591	**87,360**	**21,202**	**32,330**

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

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

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Debt, net of arrangement fees (note 23a)	679,246	691,533	571,261	582,938
Obligations under finance leases (note 23b)	3,096	3,120	-	-
Interest rate swap (note 23c)	7,142	24,163	7,142	24,163
Deferred capital grant (note 24)	610,826	587,034	-	-
Recycled capital grant fund (note 25)	8,916	10,276	-	-
	1,309,226	**1,316,126**	**578,403**	**607,101**

23. Debt analysis

In December 2007, GPHG completed a refinancing exercise. As a result, several housing loans held by its subsidiary undertakings were repaid and refinanced through new Group facilities. These facilities are loans to GPHG and then on-lent to its subsidiary GPHA under a guarantee structure. As such these loans are presented in GPHA as an intercompany loan.

Loans are repayable at varying rates of interest in instalments. Further details on interest rates are given in note 26 Financial instruments. Debt is secured by specific charges on the Group's housing properties.

On 22 October 2012, GPHG issued a bond for £200m of which £50m was retained. £150m was on lent to GPHA. The bond was issued at a fixed rate of 4.81% for a term of 30 years. The bond was issued on the Professional Securities Market of the London Stock Exchange.

23. Debt analysis (continued).

On 5 December 2013, GPHG sold part of the £50m retained bond. The release resulted in the issue of £31.78m of bonds at a spread of 1.04% over the gilt yield to provide a fixed rate funding at an all in cost of 4.574%. This was on lent to GPHA.

On 9 October 2014, GPHG sold the final part of the £50m retained bond. The release resulted in the issue of £18.22m of bonds at a spread of 1.02% over the gilt yield to provide a fixed rate funding at an all in cost of 4.002%. This was on lent to GPHA.

On 19 March 2018, GPHG tapped its existing bond issue for £145m, of which £70m was retained for later sale. £75m was immediately on lent to GPHA. The bond matures in October 2042, in line with the 2012 issue, and achieved a spread of 1.40% over the gilt yield to provide a fixed rate of funding at an all in cost of 3.341%.

On 27 January 2021, GPHG sold the final part of its £145m bond issue. £70m was immediately on lent to GPHA. The release achieved a spread of 1.20% over the gilt yield to provide a fixed rate of funding at an all in cost of 1.998%.

Total debt is as follows:

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Loans: principal and fair value of loans	284,570	294,012	190,350	198,845
Bond Issue and Premium	413,183	415,060	392,588	394,459
	697,753	709,072	582,938	593,304
Less: arrangement fees	(5,852)	(6,220)	-	-
	691,901	**702,852**	**582,938**	**593,304**

The fixed and variable split of debt is as follows:

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Bond	413,183	415,060	392,588	394,459
Fixed rate	145,220	146,167	51,000	51,000
Variable rate fixed by interest rates swaps (note 23c)	107,000	107,000	107,000	107,000
Variable rate	32,350	40,845	32,350	40,845
	697,753	**709,072**	**582,938**	**593,304**

The weighted average interest rate of the Group's loans at 31 March 2023 was 3.97**%** (2022: 3.84%). The Association's fixed rate financial liabilities have a weighted average interest rate of 4.00**%**. (2022: 3.84%) and the weighted average period for which it is fixed is 18 years (2022: 19 years).

23. Debt analysis (continued)

a Loans repayable

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
In one year or less or on demand	12,655	11,319	11,677	10,367
In more than one year, but not more than two years	18,865	8,696	17,859	7,718
In more than two years, but not more than five years	29,663	33,915	22,764	28,590
In more than five years	636,570	655,142	530,638	546,630
	697,753	**709,072**	**582,938**	**593,305**

b Obligations under finance leases

The Group obligations under finance leases are as follows:

	2023	**2022**
	£'000	**£'000**
In one year or less or on demand	61	87
In more than one year, but not more than two years	72	91
In more than two years, but not more than five years	298	298
In more than five years	2,726	2,731
	3,157	**3,207**

ASSOCIATION

The Association has no finance leases.

c Interest rate swaps

The notional amount of the swap agreements is £107m against SONIA rates and the fixed swap rates are between 4.20% and 4.97% with maturity dates between 2024 and 2037. Further details are given in note 25 Financial Instruments. The swap fair values have been obtained from swap counterparties and verified by the Association's treasury advisors at each reporting date. The repayment profile set out above is calculated based on expected reduction in swap exposure over time.

It is the Association which is the legal party to the swap agreements, but GPHA has indemnified the Association against any obligations in relation to the swaps and therefore the ultimate cost is borne by GPHA. The Association shows an equal gain and loss in relation to its fair value asset due from GPHA (debtors note 19) and the fair value liability to the swap counterparties (creditors notes 21 and 22). The fair value movements in the year are set out in note 8, Interest payable and financing costs.

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
In one year or less or on demand	740	3,971	740	3,971
In more than one year, but not more than two years	740	3,854	740	3,854
In more than two years, but not more than five years	2,257	10,401	2,257	10,401
In more than five years	4,145	9,907	4,145	9,907
	7,882	**28,133**	**7,882**	**28,133**

23. Debt analysis (continued)

Details of the swap arrangements the Association has entered into are set out below:

Counterparty	Date of transaction	Years	End date	Principal (£m)	Rate
Santander	01/12/2007	25	18/12/2032	10	4.965%
Lloyds Banking Group	01/06/2008	25	20/12/2032	15	4.945%
Royal Bank of Scotland plc	01/12/2007	30	21/12/2037	20	4.920%
Lloyds Banking Group	01/10/2008	20	03/04/2029	16	4.560%
Santander	01/10/2009	17	28/10/2026	5	4.270%
Santander	01/10/2009	26	28/10/2035	5	4.195%
Barclays Bank plc	01/10/2009	20	29/10/2029	5	4.280%
Barclays Bank plc	01/10/2009	22	28/10/2031	10	4.260%
Barclays Bank plc	01/10/2009	25	30/10/2034	10	4.220%
Royal Bank of Scotland plc	01/10/2009	15	20/11/2024	11	4.280%

d Net debt reconciliation

	Group			
	2022	Cash flows	Other non- Cash Movements	2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	(121,890)	25,521	-	(96,369)
Swap collateral	(8,042)	8,042	-	-
Bank loans (note 23a)	294,012	(8,934)	(509)	284,570
Bond including premium (note 23a)	415,060	-	(1,877)	413,183
Capitalised arrangement fees (note 23a)	(6,220)	(18)	386	(5,852)
Finance leases (note 23b)	3,207	-	(50)	3,157
Interest rate swap (note 23c)	28,134	-	(20,251)	7,882
Net debt	**604,261**	**24,611**	**(22,301)**	**606,571**

24. Deferred capital grant

	Social housing grant	Homebuy grant	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Total grant at start of period	675,281	5,892	681,173	660,767
Grants received in the year	37,243	-	37,243	26,389
Grants recycled in the year	(2,961)	(496)	(3,457)	(2,968)
Grants disposed in the year	(4,167)	(1)	(4,168)	(3,016)
Total grant at end of period	**705,396**	**5,395**	**710,791**	**681,172**
Total amortisation at start of period	(87,524)	-	(87,524)	(81,803)
Released to income in the period - social housing	(6,547)	-	(6,547)	(6,405)
Released on disposal	912	-	912	685
Total amortisation at end of period	**(93,159)**	**-**	**(93,159)**	**(87,523)**
Net book value at end of period	**612,237**	**5,395**	**617,632**	**593,649**
Net book value at start of period	587,757	5,892	593,649	578,964
Of which:				
Due within one year			6,806	6,615
Due after more than one year			610,826	587,034
			617,632	**593,649**

ASSOCIATION

The association has no deferred capital grant funds (2022:nil).

25. Recycled capital grant fund

	2023	2022
	£'000	£'000
At the beginning of the year	10,276	11,798
Grants recycled		
- Housing Properties	1,738	1,491
- Shared Ownership	1,223	1,247
- Homebuy	496	230
Interest accrued	255	21
Transferred from another RP	-	-
Development of properties	(5,072)	(4,511)
At the end of the year	**8,916**	**10,276**
Of which:		
Due within one year	-	-
Due greater than one year	8,916	10,276
	8,916	**10,276**

ASSOCIATION

The association has no recycled capital grant funds (2022:nil).

26. Financial instruments

The cash flows arising from the hedged interest rate swaps will continue until their maturity in the periods November 2024 to December 2037, coincidental with the repayment of the term loans. The change in fair value in the period was a decrease in the liability of £20,251k (2022: decrease of £13,720k) with the entire charge being recognised in other comprehensive income as the swaps are all effective hedges.

The Group has undrawn, committed borrowing facilities of which all conditions precedent have been met. Undrawn, committed borrowing facilities are as follows:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at historical cost:				
- Homebuy loans	5,395	5,892	-	-
- Trade receivables	1,740	471	-	-
- Other receivables	30,516	14,540	592,051	596,609
- Current asset investments	8,214	16,748	-	9,026
- Cash and cash equivalents	96,369	121,890	20	6,031
Intragroup derivative financial instrument*	-	-	7,882	28,134
Total financial assets	**142,234**	**159,541**	**599,953**	**639,800**

**The Intragroup derivative financial instrument is measured at fair value through income and expenditure*

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial liabilities				
Financial liabilities measured at historical cost:				
- Loans payable	691,901	702,851	582,938	593,304
- Trade creditors	1,078	1,480	-	-
- Other creditors	109,184	74,166	8,779	17,984
- Finance leases	3,157	3,207	-	-
- Deferred capital grant	617,632	593,649	-	-
Derivative financial instruments hedged*	7,882	28,134	7,882	28,134
Total financial liabilities	**1,430,834**	**1,403,487**	**599,599**	**639,422**

**Derivative financial instruments designated as hedges of variable interest rate risk derived from SWAPS*

The Group has undrawn, committed borrowing facilities of which all conditions precedent have been met. Undrawn, committed borrowing facilities are as follows:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Expiring in one year or less	43,830	43,830	43,830	43,830
Expiring between one and two years	-	-	-	-
Expiring in more than two years	100,000	100,000	100,000	100,000
	143,830	**143,830**	**143,830**	**143,830**

27. Pensions

The Group participates in three funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) and two Local Government Pension Schemes (LGPS) one administered by the South Yorkshire Pension Authority (SYPA) and the second administered by the Great Manchester Pension Fund (GMPF). For these schemes, assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and are discounted as appropriate high quality corporate bond rates.

Social Housing Pension Scheme

The Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a “last-man standing arrangement”. Therefore the Group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed additional contributions over the 2017 plan. Deficit contributions will increase to £175m p.a. compared to the 2017 plan and will be payable from 1 April 2022 to 31 March 2028. This is 18 months’ later than the 2017 plan. Deficit contributions will increase at 5.5% p.a. with the first increase taking place in April 2023.

On 1 April 2020 the pension liabilities from Equity Housing Group transferred to the Group as part of the Transfer of Engagements to Great Places Housing Association. On 1 March 2021 the pension liabilities of Great Places Housing Group Limited transferred to Great Places Housing Association when all employees successfully transferred under TUPE (note 35).

The Group’s contribution to the SHPS deficit for the year ended 31 March 2023 was £2,996k, (2022: £2,302k). We estimate that the contributions to be paid in the next financial year will be £3,092k.

As part of a group reorganisation the Associations staff completed a transfer to subsidiary Great Places Housing Association (GPHA) under a TUPE arrangement on 1 March 2021. As a result the SHPS pension liability of the Association, which was £6,222k at that date, was transferred to GPHA and this has been treated as distribution of income in the Association's statement of comprehensive income. This transaction has no impact on the financial statements of the Group.

GPHA closed its defined benefit scheme operated by the Social Housing Pension Scheme at 31st March 2022. Contributions payable under this scheme are charged in the income statement in the period to which they relate.

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 until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

27. Pensions (continued)

Local Government Pension Schemes

The Group participates in two Local Government Pension Schemes ("LGPS"), one administered by South Yorkshire Pensions Authority ("SYPA") and one by Greater Manchester Pension Fund ("GMPF"). They are both defined benefit multi-employer benefit schemes administered under the Regulations governing the Local Government Pension Scheme. In accordance with accounting standards, the Association has grouped the disclosures of the two local government pension schemes in line with FRS 102.

At 31 March 2023 there were four active members of the Schemes employed by the Group. The employer's contribution rate is 19.1% (2022: 19.1%) for SYPA and 20.6% (2022: 20.6%) for GMPF of pensionable pay. We estimate that the contributions to be paid in the next financial year will be £17k.

A full actuarial valuation was carried out at 31 March 2020 and supplementary figures were provided for 31 March 2023 by a qualified independent actuary.

	Group					
	LGPS £'000	SHPS £'000	Total 2023 £'000	LGPS £'000	SHPS £'000	Total 2022 £'000
Present value of funded obligations	(3,024)	(66,984)	(70,008)	(5,022)	(102,014)	(107,036)
Fair value of plan assets	4,473	55,344	59,817	4,389	90,280	94,669
Net asset / (liability)	**1,449**	**(11,640)**	**(10,191)**	**(633)**	**(11,734)**	**(12,367)**
Pension surplus not recognised	(1,449)	-	(1,449)	-	-	-
Net asset / (liability) recognised	**-**	**(11,640)**	**(11,640)**	**(633)**	**(11,734)**	**(12,367)**

The combined plans for Greater Manchester Pension Fund (GMPF) and South Yorkshire Pension Fund (SYPF) have a gross surplus at the reporting date of £1,449K. The Group has considered whether to recognise an asset in the balance sheet to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds from either scheme. The plan surpluses (asset ceiling) have been calculated by the scheme actuaries to be £48K (£32k GMPF and £16K SYPF) and the surplus totalling £1,449K has not been recognised in the balance sheet as a result.

Analysis of the amount charged/(credited) to the income statement:

	Group					
	LGPS £'000	SHPS £'000	Total 2023 £'000	LGPS £'000	SHPS £'000	Total 2022 £'000
Current service cost	40	-	40	42	(18)	24
Past service cost	-	-	-	-	-	-
Administrative expenses	-	59	59	-	68	68
Total charge to operating costs	**40**	**59**	**99**	**42**	**50**	**92**
Interest on plan assets	(120)	(2,523)	(2,643)	(85)	(1,811)	(1,896)
Interest on pension scheme liabilities	127	2,813	2,940	103	2,315	2,418
Total charge to other finance costs	**7**	**290**	**297**	**18**	**504**	**522**

27. Pensions (continued)

Analysis of the amount (charged)/credited to other comprehensive income:

	Group					
	LGPS £'000	**SHPS £'000**	**Total 2023 £'000**	**LGPS £'000**	**SHPS £'000**	**Total 2022 £'000**
Experience on plan assets - gain (loss)	(1,430)	(37,885)	(39,315)	304	5,549	5,853
Experience gains and losses arising on the plan liabilities - gain (loss)	454	2,190	2,644	(12)	(6,675)	(6,687)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	9	144	153	10	1,531	1,541
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,630	33,248	34,878	(93)	9,393	9,300
Total other comprehensive income	**663**	**(2,303)**	**(1,640)**	**209**	**9,798**	**10,007**

	Group					
	LGPS £'000	**SHPS £'000**	**Total 2023 £'000**	**LGPS £'000**	**SHPS £'000**	**Total 2022 £'000**
Defined benefit obligation at start of period	(5,022)	(102,014)	(107,036)	(4,859)	(105,711)	(110,570)
Current service cost	(40)	-	(40)	(42)	18	(24)
Past service cost	-	-	-	-	-	-
Expenses	-	(59)	(59)	-	(68)	(68)
Interest expense	(127)	(2,813)	(2,940)	(103)	(2,315)	(2,418)
Member contributions	(6)	-	(6)	(6)	(18)	(24)
Actuarial losses (gains) due to scheme experience	454	2,190	2,644	(12)	(6,675)	(6,687)
Actuarial losses (gains) due to changes in demographic assumptions	9	144	199	10	1,531	1,541
Actuarial losses (gains) due to changes in financial assumptions	1,630	33,248	33,854	(93)	9,393	9,300
Benefits paid and expenses	78	2,320	2,398	83	1,831	1,914
Liabilities transferred within Group companies	-	-	-	-	-	-
Defined benefit obligation at end of period	**(3,024)**	**(66,984)**	**(70,008)**	**(5,022)**	**(102,014)**	**(107,036)**

Changes in fair value of plan assets:

	Group					
	LGPS £'000	**SHPS £'000**	**Total 2023 £'000**	**LGPS £'000**	**SHPS £'000**	**Total 2022 £'000**
Fair value of plan assets at start of period	4,389	90,280	94,669	4,060	81,128	85,188
Interest income	120	2,526	2,646	85	1,811	1,896
Experience on plan assets - gain (loss)	19	(38,133)	(38,114)	304	5,549	5,853
Employer contributions	17	2,996	3,013	17	3,605	3,622
Member contributions	6	-	6	6	18	24
Benefits paid and expenses	(78)	(2,325)	(2,403)	(83)	(1,831)	(1,914)
Assets transferred within Group companies	-	-	-	-	-	-
Fair value of plan assets at end of period	**4,473**	**55,344**	**59,817**	**4,389**	**90,280**	**94,669**

The LGPS asset has not been fully recognised as the Group consider that is won't be able to recover the surplus either through reduced contributions in the future, or through refunds from either LGPS scheme.

27. Pensions (continued)

Financial Assumptions:

In calculating the scheme assets and liabilities, the fund actuary had to make a number of assumptions about events and circumstances in the future. These assumptions represent the best estimate of expected outcomes, but it is possible that actual outcomes will differ from those indicated. The main assumptions used by the actuary were:

	Group				Association	
	2023 LGPS	2023 SHPS	2023 Total	2022 Total	2023 Total	2022 Total
	% per annum	% per annum	% per annum	% per annum	% per annum	% per annum
Discount rate	4.75% - 4.75%	4.84%	4.75% - 4.84%	2.70% - 2.79%	4.84%	2.79%
Pension increase	0.00% - 0.00%	3.17%	0.00% - 3.17%	0.00% - 3.49%	3.17%	3.49%
Inflation rate (CPI)	2.95% - 3.00%	2.79%	2.79% - 3.00%	3.15% - 3.20%	2.79%	3.15%
Salary Growth	3.55% - 3.80%	3.79%	3.55% - 3.80%	3.95% - 4.15%	3.79%	4.15%
Allowance for commutation of pension for cash at retirement (maximum)			75.00%	75.00%	75.00%	75.00%

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Mortality Assumptions	**2023**	**2023**	**2023**	**2022**
Life expectancy at age 65 (Years)	**LGPS**	**SHPS**	**Total**	**Total**
Male retiring now	19.3 - 20.5	21.0	20.5 - 21.0	21.1 - 22.6
Female retiring now	22.9 - 23.7	23.4	23.4 - 23.7	23.7 - 25.4
Male retiring in 20 years	21.4 - 21.5	22.2	21.5 - 22.2	22.4 - 24.1
Female retiring in 20 years	24.2 - 25.2	24.9	24.9 - 25.2	25.2 - 27.3

Major categories of plan assets as a percentage of total plan assets

	2023				2022	
	LGPS		SHPS		Total	
	£'000	%	£'000	%	£'000	%
Equities	2,760	69.0%	3,516	6.4%	29,757	31.4%
Bonds	745	18.6%	7,416	13.4%	18,935	20.0%
Property	320	8.0%	10,373	18.7%	11,567	12.2%
Cash/Liquidity	176	4.4%	399	0.7%	527	0.6%
Other	-	0.0%	33,640	60.8%	33,883	35.8%
Total	**4,002**	**100.0%**	**55,344**	**100.0%**	**94,669**	**100.0%**

No association details are included for either 2023 or 2022 as there was no scheme specific to the association.

28. Provision for liabilities

	Group		Association	
	2023	2022	2023	2022
	No	No	No	No
At 1 April	237	208	-	-
Charged to profit or loss	-	-	-	-
Charged to other comprehensive income	50	29	-	-
At 31 March	**287**	**237**	**-**	**-**

29. Employees

Average monthly number of employees, including the Executive team, expressed as full time equivalents, is as follows:

	Group		Association	
	2023	**2022**	**2023**	**2022**
	No	**No**	**No**	**No**
Administration	205	233	-	-
Housing, support and care	314	314	-	-
Maintenance	214	150	-	-
Development	76	74	-	-
	809	**771**	**-**	**-**

Employee costs

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Wages and salaries	28,285	26,116	-	-
Social security costs	2,818	2,423	-	-
Other pension costs	1,607	1,264	-	-
	32,710	**29,803**	**-**	**-**

All group employees are employed by Great Places Housing Association. This is to ensure all employee related liabilities are matched by the housing assets of GPHA and to simplify the intercompany trading activities. Full time equivalents have been calculated based on contractual hours which range from 35 – 39 hours per week.

30. 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, his/her share is forfeited and the value is credited to the revenue reserve.

	2023	**2022**
	£	**£**
Shares of £1 each issued and fully paid		
At the beginning of the year	9	9
Shares issued during the year	-	3
Shares surrendered during the year	(1)	(3)
At the end of the year	**8**	**9**

31. Financial commitments

Capital commitments for the Group were as follows:

	2023	**2022**
	£'000	**£'000**
Expenditure contracted but not provided for in the accounts	231,827	184,061
Expenditure authorised by the Board, but not contracted	79,339	75,299
	311,166	**259,360**

31. Financial commitments (continued)

Capital commitments will be funded as follows:

	2023 £'000	2022 £'000
Existing loan facilities	136,752	44,134
First tranche and outright sales receipts	42,801	42,020
Grants	38,867	62,894
Existing reserves	92,746	110,312
	311,166	**259,360**

ASSOCIATION

The Association has no capital commitments at the balance sheet date. (2022:nil)

Operating leases

The Group and the Association had minimum lease payments under non-cancellable operating leases as set out below:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
In one year or less or on demand	349	645	-	-
In more than one year, but not more than two years	245	336	-	-
In more than two years, but not more than five years	311	571	-	-
In more than five years	840	1,185	-	-
	1,745	2,737	-	-

32. Accommodation in management and development

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

	Owned not managed	Managed not owned	Owned and Managed	2023 Total Owned and Managed	2022 Total Owned and Managed
General Needs - social rent	39	672	10,052	10,763	10,894
General Needs - affordable rent	-	83	5,800	5,883	5,430
Low Cost Home Ownership	9	35	3,284	3,328	2,894
Supported Housing	194	76	1,125	1,395	1,392
Supported - Housing for older people	-	-	478	478	479
Intermediate Rent	-	-	315	315	338
Non Social Rented	3	18	286	307	307
Social Leased	-	215	1,149	1,364	1,548
Non Social Leased	-	1,543	98	1,641	1,626
Total	**245**	**2,642**	**22,587**	**25,474**	**24,908**
Accommodation in development at year end				1,607	1,504

32. Accommodation in management and development (continued)

Reconciliation of unit numbers:

	General Needs social rent	General Needs affordable rent	Low Cost Home Ownership	Supported housing	Intermediate rent	Other	Total
Opening unit numbers	**10,894**	**5,430**	**2,894**	**1,871**	**338**	**3,481**	**24,908**
Reclassification of restricted LCHO units	-	-	231	-	-	(231)	-
New stock acquired	19	361	263	6	-	0	649
New stock into management	-	83	35	-	-	54	172
Management contracts handed back	-	-	-	-	-	(39)	(39)
Sales to Local Authorities	-	-	-	-	-	-	-
Sales to the open market	(12)	(4)	-	-	(3)	-	(19)
Sales to tenants freehold	(4)	(10)	(41)	-	-	(19)	(74)
Sales to tenants leasehold	(12)	(11)	(43)	-	-	66	-
Other losses	(15)	-	(2)	(3)	-	(1)	(21)
Move FROM social rent stock category	(39)	(4)	-	(1)	(10)	-	(54)
Move TO social rent stock category	12	39	3	-	-	-	54
Net Change in Stock	**(131)**	**453**	**434**	**2**	**(23)**	**(170)**	**566**
Closing unit numbers	**10,763**	**5,883**	**3,328**	**1,873**	**315**	**3,311**	**25,474**

** The movement within categories does not balance to zero as some disposals result in a leasehold interest being retained.*

ASSOCIATION

The Association has no homes in management, under development or managed by others (2022: nil).

33. Contingent liabilities and cross guarantees

The Group has acquired a number of properties from other registered providers which had social housing grant (SHG) attached. In line with the SORP these transactions were recorded at fair value and the SHG is not shown on the balance sheet of the Group. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2023, the value of grant received in respect of these properties that had not been disposed of was £27,639k (2022: £27,770k).

Cross guarantees

Following the refinancing exercise in December 2007 by GPHG, cross guarantees are in place with GPHA. These facilities are loans to GPHG and then on-lent to GPHA under a guarantee structure; i.e. the loans are secured against the assets of both the Association and those of GPHA. The guarantee structure also covers the interest rate swaps entered into by GPHG. As disclosed in note 19, £592m (2022: £596m) of the Group's loans are on lent to GPHA under this arrangement, of which £571m (2022: £583m) is due in greater than one year.

34. Related parties

The Group has taken advantage of the exemption available under FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

Transactions with related entities

The Association provides management services, other services and loans to its subsidiaries and receives payment for these services from its subsidiaries. The quantum and basis of those payments is set out below:

	Management charges		Interest charges	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Non-regulated entities				
Cube Homes Limited	217	210	584	837
Regulated entities				
Great Places Housing Association	35	33	26,097	24,595
	251	**243**	**26,681**	**25,432**

Intra-group management fees

Intra-group management fees are receivable by the Association from subsidiaries to cover the operating costs the Association incurs on behalf of managing its subsidiaries and providing services. As all Group employees are employed by GPHA there will be no further cross charging of management services.

Intra-group interest charges

Intra-group interest is charged by the lending Association to its subsidiaries at an agreed commercial rate. At present the only such arrangement is in respect of a loan facility to a maximum of £40m provided by GPHA to Cube, approved by the Boards of GPHA, Cube and GPHG in November 2018. The loan is advanced in instalments to meet approved expenditure on development for sale, market rent projects and joint ventures. Loan repayments are made as soon as sales receipts are received and the balance at 31 March 2023 was £15,602k (2022: £13,292k).

Transactions with non-regulated entities

During the year GPHA had intra-group transactions with its subsidiary Terra Nova of £15,043k (2022: £2,988k) relating to housing property design and build services, as well as in house construction services.

35. Acquisitions / Transfers

There were no acquisitions or transfers of engagement in the year ended 31 March 2023.

36. Post balance sheet events

Great Places Housing Group Limited intend to merge with Mosscare St Vincent's Housing Group (MSV) on the 1st October 2023 by means of a Transfer of Engagements of MSV into GPHA.

37. Group structure

Great Places Housing Group Limited is the parent entity and controlling party of a Group with the following subsidiaries:

- Great Places Housing Association
- Plumlife Homes Limited
- Cube Homes Limited (a wholly owned subsidiary of GPHA)
- Terra Nova Developments Limited (a wholly owned subsidiary of GPHA)

GPHA is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered charitable social landlord.

Plumlife Homes Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered non-charitable social landlord.

The undernoted subsidiaries are registered under the Companies Act 2006, are registered in England and are limited by shares:

- Terra Nova Developments Limited Percentage held or controlled - 100%
- Cube Homes Limited Percentage held or controlled - 100%

Of the subsidiaries, Great Places Housing Association, Cube Homes Limited, Plumlife Homes Limited and Terra Nova Developments Limited traded during the year. The Group has an interest in several Joint Venture companies and one Associate as detailed in note 17.

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.