



Annual Report and Consolidated Financial Statements

Year ended
31 March 2024



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Regulator of Social Housing Registration Number: L4203

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Though our **passion** for housing, more **people** have a **safe** place to call home

YOUR HOUSING GROUP LIMITED
CONTENTS**YEAR ENDED 31 MARCH 2024****Contents**

Board and Senior Officers	2
Key Achievements In The Year	3
Chair and Chief Executives Introduction.....	4
Strategic Report – Our Strategy and Performance	7
Strategic Report – Summary Financial Results	18
Strategic Report – Value for Money	22
Strategic Report – Risks and Uncertainties.....	29
Report of the Board – Governance	34
Report of the Board – Statement of Internal Control.....	43
Report of the Board - Going Concern	45
Report of the Board - Statement of the Responsibilities of the Board	46
Independent auditor's report to the members of Your Housing Group Limited	48
Group Statement of Comprehensive Income	53
Association Statement of Comprehensive Income.....	54
Statement of Financial Position – Group and Association.....	55
Group Statement of Changes in Reserves	57
Association Statement of Changes in Reserves	58
Group Statement of Cash Flows	59
Notes to the Financial Statements.....	60

YOUR HOUSING GROUP LIMITED
KEY ACHIEVEMENTS

YEAR ENDED 31 MARCH 2024

Board and Senior Officers

Non – Executive Directors

Mike Gaskell	(Appointed Chair on 1 April 2023)
Alison Cabbage	(Retired 31 May 2024)
Derek Cash	(Retired 31 May 2023)
Stuart Coe	
Matt Cooper	(Appointed 1 June 2024)
David Done	(Resigned 30 June 2023)
Elizabeth Harrison	(Appointed 1 January 2024)
Beata Luczak	(Appointed 1 January 2024)
Chris MacKenzie-Grieve	
Darrell Mercer	
Bev Messinger	
Bhupendra Mistry	(Appointed 1 January 2024)
Brenda Smith	(Retired 31 August 2024)
Lee Sugden	(Appointed 1 June 2024)

Company Secretary

Clare Oakley

Registered Office

130 Birchwood Boulevard
Warrington
WA3 7QH

External auditor

BDO UK LLP
Eden Buildings
Irwell Street
Salford
M3 5EN

Internal auditor

PwC
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Senior Officers

Jacque Allen	(Chief Executive Officer)	
Kal Kay	(Chief Financial Officer)	(Appointed 1 October 2023)
Clare Oakley	(Executive Director of Corporate Services)	
Paula Marshall	(Executive Director of Housing and Customer)	(Appointed 1 April 2024)
Ian Thomson	(Chief Property Officer)	(Appointed 1 July 2024)
Jeremy Vickers	(Interim Chief Financial Officer)	(Resigned 30 November 2023)
Darren Halliwell	(Chief Information Officer)	(Resigned 30 June 2024)
Ann Gibbons	(Interim Executive Director of Service Improvement)	(Resigned 25 May 2023)

Key Achievements in The Year

In a year of continued economic and social challenges, we are proud that we have continued to consistently deliver against our strategic priorities and deliver improvements for the benefit of our customers and communities. Below are some key achievements we are proud of in the year.

- **Continued to improve our customer service**
This year we continued our journey to improve customer service, implementing a number of new initiatives to improve processes and support our customers. We undertook our annual Survey of Tenant and Residents (STAR) survey and saw our overall customer satisfaction increase to 74%.
- **Appointed a new Group Chair**
On the 1 April 2023 we appointed Mike Gaskell as our new Group Chair.
- **Delivered 460 new homes**
In line with our strategy to provide more affordable homes, we completed 460 new homes in FY24, delivering on our commitment to our Homes England and playing our part in helping to solve the housing crisis.
- **Strengthened our Executive Team**
This year we have further strengthened our executive team with the appointment in October 23 of a new Chief Financial Officer, Kal Kay. Kal has significant experience holding senior finance roles in the public and not for profit sector. We also announced the addition of two new roles to the Executive, Chief Property Officer and Executive Director of Customer.
- **Invested over £9.9m in building safety**
Ensuring our customers are safe in their homes and we meet all our regulatory responsibilities remains our upmost priority, and in FY24 we invested over £9.9m in our building safety programme.
- **Invested over £34.0m in existing customers' homes**
During the year we invested a further £34.0m in improving existing customers' homes. This continues to deliver on our strategic priority to be a great landlord with continuing high levels of reinvestment into our assets.
- **Delivered £8.6m of efficiencies savings**
We delivered over £8.6m of savings, against budget in the year, counteracting the impact of increased cost and demand in repairs and building safety.
- **Highest Level of Accreditation for our Foyers**
For the fourth year in a row, all four of our foyers, which deliver vital services to young people, have achieved top grades in the Foyer Federation national accreditation.

Chair and Chief Executive's Introduction

This has been another challenging year for the sector. The financial year began in an environment where the economy was seeing significant levels of inflation, driven by high utility costs and the geopolitical situation. The rent settlement from government for housing associations returned to CPI +1% and many associations have seen a tightening of margins as expenditure continues to grow above inflation levels. In addition, the labour market in the UK remains very competitive with vacancy rates above 4% or above in most sectors. Although inflation has fallen during the year, we have still seen higher than inflation costs in some key areas, such as utilities and insurance.

In the Housing Sector we have also seen increased regulatory and legislative pressures, with the introduction of new laws around damp and mould, building safety and the introduction of Consumer Regulation. Wider cuts to public spending has led to increased demands from customers and the need to step in and offer support where other services, such as social work and mental health, have reduced.

As a business, Your Housing Group, has been working to ensure we stay ahead of these sector changes, but it has placed increased pressure on our margins during the year. The need to meet our own demands has increased at the same time as demand for specialist skills within the market has also increased and the cost for delivery has therefore risen significantly. The pressure within the labour market has also meant a lack of available resource, both internally and externally to deliver in some key specialisms.

It is against this background that we have continued to deliver against our key strategic objectives. Our primary focus has been ensuring that our customers have a safe and decent home and services that help them live well.

Last year we delivered over £34.0m of improvements such as new kitchens, bathrooms and windows, £0.6m on energy efficiency and a further £9.9m in building safety works. We have continued to build new homes, starting on site with a further 325 homes and taking handover of 460 homes. We are working in partnership with Homes England and doing our bit to solve the affordable housing crisis.

We have also continued to focus on building safety, ensuring that we are meeting the new legislative requirements and keeping our customers safe. The Board has prioritised this spending over £9.9m on enhancing safety within buildings throughout the year, implementing a programme of fire door inspections, developing our building safety cases and working with customers in our high-rise buildings to ensure they can evacuate safely.

We know that having an efficient responsive repairs service is very important to our customers and a key driver of satisfaction, this is also an area where we have seen increased demand year on year. The Board therefore have had a particular focus on this over the last year, investing in and making changes to the service and appointing a task and finish group to provide additional assurance that improvements are embedded. Empty homes remain a challenge and impact on our void loss, we began the year with higher than usual void levels and despite extra investment have not been able to fully recover the position in the year but have plans to improve in the coming months.

**YOUR HOUSING GROUP LIMITED
CHAIR AND CHIEF EXECUTIVE'S INTRODCUTION****YEAR ENDED 31 MARCH 2024**

We have also continued the work of our damp and mould task force, ensuring that we are responding promptly to any reports of damp and mould reported by customers, undertaking repairs where necessary but also offering wider packages of support to deal with other issues which may be contributing to the problem.

We also know that for customers it's not just the fabric of the building which makes a home, it's also the environment and anti-social behaviour can be a real blight in communities.

Some customers need a little extra support from time to time, and in the social housing sector we are seeing more and more people with vulnerabilities who aren't able to easily access the support they need through public services. We are offering help where we can, and this year invested £1.0m in our money advice and tenancy support services. As well as helping vulnerable customers these services also deliver tangible benefits to our business in terms of sustainable tenancies and improved rent collection.

During the year we have continued to see significant time and attention being diverted onto resolving issues relating to the Avantage PFI, which is in distress following the catastrophic fire at Beechmere in 2019. This has brought additional cost to YHL, and the impact has impacted on the Group's financial performance within the year. All parties to the PFI continue to have constructive discussions regarding a rescue, and we are cautiously hopeful that the situation will be resolved during 2024.

We have seen significant changes in the sector over the last few years and are alive to the future challenges, and this year, under the leadership of our new Board Chair, we have been considering our future strategy. We established a new set of Corporate Values at the beginning of last year and have developed, with our employees, a new behavioural framework with caring, honesty and respect at its heart – these are the cornerstones of our new culture and will enable us to deliver the excellent services our customers deserve. We have recently launched our new vision, to be followed shortly by our new corporate plan in 2024, focusing on our core service offerings, responding to legal and regulatory requirements, and delivering even greater value for money. This plan has been shaped by the views and insight from our customers and will ensure we deliver our new vision.

To ensure that we have the right leadership in place to deliver on our new aims and objectives and meet the future challenges we have strengthened both the Board and Executive during this year. Our new Chair Mike Gaskell took up his role on 1 April 2023. In January we appointed three new Non-Executives to our Board, who in addition to enhancing our diversity, bring a range of additional skills and experiences around customer and community.

In October, we appointed Kal Kay as our new permanent Chief Financial Officer. Kal is an experienced Executive, who has held senior finance positions within the housing sector. In April 2024 we announced the appointment of two new roles an Executive Director of Housing and Customer Service and Chief Property Officer, and alongside our existing CEO and Executive Director of Corporate Services we now have a strong Executive to help deliver our plans.

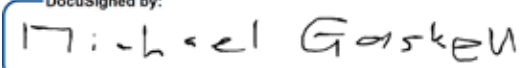
We know that colleagues are essential to delivering our plans and we continue to invest in them. During the year we have developed and rolled out a new learning and development framework, including plans to ensure we can meet the new professionalism agenda. We have also continued to

**YOUR HOUSING GROUP LIMITED
CHAIR AND CHIEF EXECUTIVE'S INTRODCUTION****YEAR ENDED 31 MARCH 2024**

provide wellbeing activities through our health and safety team, recognising that happy and well employees deliver the best service to our customers. In September we undertook our annual employee survey and continue to maintain high levels of engagement.

We want to take this opportunity to thank all the colleagues and customers who have worked with us over the last year as we continue to deliver our existing strategic plans.

Reflecting on wider societal and economic pressures, we know that the operating environment is likely to remain challenging for some time to come, but with our continued focus on performance, a strengthened Board and Executive and a new corporate plan in development we feel we are well placed to meet those challenges.

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Michael Gaskell
Chair

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Jacque Allen
Group Chief Executive

Strategic Report – Our Strategy and Performance

WHO ARE WE?

Your Housing Group (the ‘Group’ or YHG) is one of the largest providers of affordable housing in the UK, managing over 29,000 homes across the North West, Yorkshire and the Midlands.

The Group provides:

- Affordable homes to rent;
- Hostels and Foyer accredited schemes, which support vulnerable people;
- Specialist retirement solutions for older people;
- Homes for sale, both outright and through shared ownership;
- Community regeneration schemes, creating sustainable neighbourhoods; and
- Private Rent Sector (PRS) lettings.

OUR BUSINESS STRATEGY

Whilst we have been developing our future strategy, we believe our existing aims of safety first and putting customers at the heart of what we do remains extremely important. We know that the impacts of inflationary increases and cuts to public services have been felt the most by the poorest and most vulnerable in society, including many of our customers. More than ever having access to affordable, safe housing and services is vitally important and a basic necessity for good health and well-being.

Our strategy is overseen and directed by the Group Board.

This year we have refreshed our vision to ensure it clearly articulates what we want our organisation to be and to deliver for our customers. Our new vision is:

“Through our passion for housing more people have a safe place to call home”

We know that people need safe homes that they can afford. We know from speaking to our customers that a safe home is about more than well maintained bricks and mortar (although this is very important) it’s also about feeling secure and connected in the community in which you live, with services and support when you need it most. Our new strategy is being developed to deliver this.

We will continue to use technology and digital innovations to improve our business systems, increasing efficiency and improving productivity. Through the operational efficiencies we will be able to reinvest in our existing assets and maintain our profitability.

People are at the core of our strategy, together we will demonstrate our values and behaviours in accordance with our desired culture, with caring, honesty and respect at the core. We will continue to listen and engage with our colleagues via our surveys, conferences and employee feedback channels, working together we will provide clarity, consistency and a commitment to improving and modernising the way that we work.

HOW OUR STRATEGY DELIVERS VALUE FOR MONEY

Having our clearly articulated corporate strategy means that we are clear where we are focusing our finite resources. If decisions need to be made about the allocation or use of resources, we are guided by the prioritisation provided by the Board. This means there is a clear direction, and resources are used to deliver the strategy.

At a delivery level each of the underpinning strategies is clear how its operation will deliver Value for Money (VFM), either from greater efficiency, better effectiveness or optimising economy.

The Board has set targets for the delivery of the strategic objectives and monitors performance against these targets as part of its balanced scorecard. Where performance is not on target the Board is able to understand the reasons for this, challenge management and approve improvement plans.

The Board has developed a Financial Plan, which together with the Corporate Strategy, makes up the Business Plan. In developing the plan, the Board has allocated financial resources in accordance with the agreed priorities. It has also included efficiency targets looking to reduce overall spend on corporate overheads over the life of the plan. We will do this by using innovation and technology to drive efficiency. This will allow us to direct more resources to the frontline, help services be delivered more effectively and ensure we are delivering on our objectives of keeping everyone safe and being a great landlord.

We take a considered approach to our development and have clarity that investing in delivering new affordable homes needs to be balanced against our obligations to invest in its existing assets and deliver services to our existing customers.

More information on our performance against the Regulator's Value For Money metrics can be found on page 22.

OUR BUSINESS PRIORITIES

During the FY24 financial year we have continued to deliver to our existing strategy. To do this we and allocate our resources we must make choices. We have prioritised four key areas of our business. These cover what we do and how we do it:

Priority 1 - Keep everyone safe

Priority 2 - Be a great landlord

Priority 3 - Maintain business viability and balance sheet strength

Priority 4 - Deliver new affordable homes

Underpinning and central to all of this are our employees, and our aim is to provide a working environment where people can thrive. Investing in the right technologies will help us deliver all that we do in a more efficient and effective way for the benefit of our customers.



PRIORITY 1 – KEEP EVERYONE SAFE

Our number one business priority is to keep everyone safe. To provide safe homes for our customers and ensure that our staff are safe doing their job.

Providing our customers with safe homes remains our number one priority with our customers continuing to be at the heart of everything we do. During FY24 we have continued to maintain high levels of compliance with our statutory landlord obligations.

Fire safety continued to be a priority area, with £9.9m spent on enhancing safety within buildings throughout the year. These essential works were focused on completing actions identified from our schedule of Fire Risk Assessments, with compartmentation and fire stopping the focus of works completed on our buildings.

We continue to work together with our customers to ensure they are safe in their homes. This year we have updated the information we share with customers as part of our fire evacuation strategy project. The information we issue to everyone who lives in our multi-occupied blocks ensures that everyone is reminded of the emergency evacuation plan for their home, and we once again confirmed with them their understanding of the plan. The project also ensures that where we have residents that may have difficulty in self-evacuating, a Person-Centred Fire Risk Assessment (PCFRA) is carried out and additional support/interventions put in place if necessary. In addition to the fire emergency plan, we also issue information to remind everyone of the importance of fire doors and how to report an issue to us should their fire door require a repair. This information is issued to customers on an annual basis, in line with the requirements of the Fire Safety Regulations.

We also continue to ensure that we monitor and align our work with the release of new guidance or legislation, such as changes made in the Fire Safety Order and the Building Safety Act. We have implemented a programme of fire door inspections to meet the requirements of the Fire Safety Regulations across our buildings that are over 11m in height. This has resulted in a programme of quarterly inspections of all communal doors and an annual inspection of all flat entrance doors in the 26 11m+ buildings, which relates to over 2,000 doors inspected each quarter. For flat entrance doors we have successfully gained access to over 72% of all doors. Inspections are completed by an external company and results collated within a central system. We are now working to appoint a competent contractor to undertake any necessary repairs. We have continued to update the wayfinding signage throughout our high-rise buildings. We have also delivered the installation of specialist systems to further enhance safety in our buildings, for example by completing the installation of emergency evacuation systems which allow the Fire Service to more easily evacuate, part or all, of a building in the event of an emergency much more efficiently.

We are continuing to develop our Building Safety Cases and Safety Case Reports, required for our buildings from April 2024 under the Building Safety Act. Once these have been developed, they will become a live document that will need to be constantly updated to ensure they remain suitable and sufficient to meet the legislative requirements when they are called for review by the Building Safety Regulator.

Following a successful launch in August 2022 of our customer safety concern reporting facility which allows our customers living in high-rise buildings to report any safety concerns directly to the Building Safety Team, we continue to monitor this and record any safety concerns raised. This also forms part of our approach to Mandatory Occurrence Reporting, which is a new requirement where we have to report any mandatory occurrences (i.e., large fire or structural occurrences) or safety concerns. In addition, we have also launched the Customer Information facility which allows anyone living in our high-rise buildings to request specific information on the buildings in which they live, such as gas safety or fire information.

It is also important that we support the development of our colleagues to ensure they have the best skills, knowledge and behaviours. We have in FY24 invested in their development with specialist courses funded in subjects such as Building Safety Management, Fire Safety and Asset Compliance Management.

Our customers continue to be at the heart of everything we do with engagement with our customers an integral part of our approach to keeping everyone safe. We have continued to hold the High-

YOUR HOUSING GROUP LIMITED**STRATEGIC REPORT – OUR STRATEGY AND PERFORMANCE****YEAR ENDED 31 MARCH 2024**

Rise Forums at Youggle House, and we are now looking at how we can deliver these, or develop something new, at a more local level. In addition, we continue to deliver our programme of site safety walks across all high-rise buildings where we meet residents at their buildings and talk to them about any concerns they have and highlight the safety features within their building.

We have recently installed new building safety noticeboards across our high-rise buildings with specific safety information for our customers.

Occupational Health, Safety and Wellbeing continues to be a priority to ensure our employees remain safe and well in their work. As part of the delivery of our health, safety and wellbeing plan, we have reviewed the health and safety training provided to our repairs and maintenance operatives to ensure that it is engaging and effective yet still remains compliant and we have completed a total of 560 health and safety inspections of work activities and sites. We recorded 23 employee accidents (and 6 contractor accidents) this year compared to 53 employee accidents (and 5 contractor accidents) in FY22, a total reduction of 50%. Reports of unacceptable behaviour towards employees (most typically the use of bad language) has also reduced with a total of 85 reports, compared to 131 reports in the previous year.

We have submitted 3 RIDDOR reports to the HSE this year, compared to 2 last year. One of these was an accident resulting in an over 7-day absence, the other two related to cases of hand arm vibration syndrome, a reportable occupational disease, in grounds maintenance operatives which were identified as part of our routine health surveillance.

We have continued to progress with our Wellbeing plan with a particular focus on both mental health and financial wellbeing for employees given the cost-of-living increases that we have all faced this year.

PRIORITY 2 – BE A GREAT LANDLORD

We are first and foremost a social landlord and we want to provide homes which are decent and services which reflect the needs of our customers and which they value. We continue to build relationships with our customers and understand how the current cost of living pressures and the cuts to public services crisis are impacting upon them. Our teams provide a range of support to our customers, including money advice and tenancy support.

Providing our customers with a decent place to call home remains a key priority for us and this year we have continued to invest in our existing homes and services to do just that.

We have continued to invest in our existing customers homes, with £34.0m spent on improvements such as new kitchens, bathrooms, windows, doors and communal area upgrades. We have felt the impact of increasing labour and material market costs, leading to significantly higher contractor rates compared to budget, we did however successfully replace 2,952 core components within customers' homes and maintained 100% compliance with the Decent Home Standard.

We know that holding good quality of data about our properties means that we can better target our investment, driving value for money and ensuring decent homes for our customers. We have

YOUR HOUSING GROUP LIMITED**STRATEGIC REPORT – OUR STRATEGY AND PERFORMANCE****YEAR ENDED 31 MARCH 2024**

been prioritising stock condition surveys to ensure that by April 2024, 80% of our homes have a survey that is no older than five years (66% in FY23). This year we recruited our own team of stock condition surveyors so that we can deliver this essential service in-house rather than relying on external companies, improving the value we receive. We are working towards an April 2025 target for all of our homes to have a stock condition survey no older than five years.

Maintaining a quality home is not just about our investment in replacement components, for most customers it's about having access to an efficient and effective day to day repairs service, and we know this is a major driver for customer satisfaction. The Board uses data from customer complaints and satisfaction surveys to identify how it can drive continuous improvement and this year has been focused on improving the efficiency and effectiveness of our repairs service. During the year it increased its spend in this area, responding to increased customer demand (16% increase year on year) and investing in improvements. It appointed a Board led task and finish group to oversee improvements, including much needed changes to IT systems, cultural and management changes and extended working hours.

As a social landlord, providing homes is what we are all about, and so we have also focused on improving our void (empty home) service. We have been working hard to reduce the time from a property becoming empty and being relet, as we understand the importance of this to customers waiting for homes and also the impact this has on our income collection. We began the year with 172% higher void levels than expected and faced challenges with our void turnaround times and costs. We have seen issues with furniture and rubbish left in properties and increased fly tipping in gardens, probably driven by reduced local authority waste collection services and the cost-of-living crisis. We have also experienced increased sub-contractor costs and a larger number of repairs required. We understand that these are pressures being experienced across the sector. We have also opted to hold some properties empty, to facilitate works on large schemes, or to undertake options appraisals. The impact of all these factors has been higher than anticipated void loss during the year of £4.1m, but we continue to see high demand for our properties and let 2,875 social homes during the year. We finished the year with a total of 351 void or empty properties.

We recognise that being a good landlord is not just about the homes we provide; customers are at the heart of everything we do as a business and it is vitally important that the services we offer meet their needs.

As discussed elsewhere we have seen increases in customer demand for our services and our support teams have remained very busy. Our Money Advice Team has supported 3,422 customers with gains of over £4m. Tenancy Support have supported 330 customers to sustain their tenancies and prevent homelessness and financial issues accessing close to £100k of grant funding to help customers get essential household items. They also supported a further 178 customers facing domestic abuse. The support provided ensures that we maintain a low turnover rate of 6%, which provides value for money and provides safe, secure tenancies for our customers.

This year our Adaptations Service continued to assist customers to live independently and safely within their home. Working across 34 Local Authorities (LAs) we delivered a total of 667 minor and 210 major adaptations. This continues to be a challenging area with depleting LA budgets but an increasing demand for the service. Positively however we exceeded our Disabled Facilities Grant income target by £0.1m, with a total of £0.3m received.

Despite other public services reducing we continue to offer a range of ways for customers to contact us, including our Your Home Hub app where customers can report repairs and make appointments for repairs, as well as view rent account balances and make payments.

Our customer engagement continues to thrive, and we have held a number of events for customers, such as our popular high-rise forum (which is done using live interpretation for our Cantonese speaking customers), and our many panels. Our formal engagement of our Customer Connect Panel and our Customer Services Committee has approved a range of policies, reviews of services and monitored our performance throughout the year.

We have implemented new structures across our sheltered teams, with the introduction of regular “Your Time” surgeries, so customers know when they are able to see someone face to face to discuss any issues or concerns, or report things. This has been well received by customers in those services and improves our service offer.

Our Foyer team has yet again achieved the Foyer Federation Accreditation, meaning that the services to young people across our 4 foyers is achieving high standards and great outcomes for the young people within the service.

Our overall customer satisfaction has again increased to 74% on our tenant perception survey, which is a requirement to be able to report on the Tenant Satisfaction Measures, which is published in full later on our website as well as reporting these to the Regulator of Social Housing.

We also know that sometimes we don’t always get things right for our customers, and want to ensure when things go wrong, we not only resolve things quickly, but also use this as an opportunity for learning and improvement. So, this year we have reviewed our approach to customer complaints and introduced a new Customer Resolution Team to deal with issues customers are experiencing. We have seen an increase in both performance against our target to deal with complaints within timescales, and with customer satisfaction. It also means we have improved the level of reporting around complaints and their root causes, ensuring positive changes are embedded through our lessons learnt processes.

PRIORITY 3 – MAINTAIN BUSINESS VIABILITY AND BALANCE SHEET STRENGTH

Our strategy needs a solid platform for delivery and our financial plan continues to maintain a robust and resilient business whilst realising our corporate objectives in a challenging operational environment.

It has been another challenging year with unprecedented levels of demand placed on our repairs service. The Board has set up a discreet task and finish group to oversee the Repairs Improvement and has also put in place additional resource to meet both the additional demand, and any backlogs that have ensued.

Keeping our customers safe is always a priority, and this year the Group has faced excessive costs in maintaining assistance guards at our extra care schemes where vulnerable customers would be

unable to self-evacuate in the event of a fire. The life critical fire safety works across all of our tall buildings have been prioritised and these ongoing running costs will remain in the financial plan until the works have been completed and the stay put fire strategy can be achieved.

The Board have made proactive choices to invest in these areas, over and above what was budgeted, whilst still ensuring sufficient financial headroom. The financial plan for FY25 and beyond has been moderated taking into account these ongoing operational pressures and customer needs and demands whilst maintaining key financial metrics and protecting the Group's credit rating. There are robust controls around Golden Rules, headroom to trigger points and operating environment triggers, ensuring that the Group operates within Board's risk appetite for financial viability. The financial plan also looks to enable delivery of the new Corporate Plan and continued investment in our people and our assets.

Key processes around financial forecasting, horizon scanning, management reporting and risk reviews ensure that any early warning indicators are flagged to senior leadership and Board to allow for remedial action to be taken prior to any risk to viability crystallising. In line with our risk management approach, stress testing is also a key tool that Board own and have been fully engaged with throughout this period of turbulence. This stress testing demonstrates the resilience of the financial plan in maintaining viability during periods of financial shock and is supported by a detailed mitigations tracker which documents both the operational and strategic impacts of potential remedial actions which could be taken.

Underpinning the financial plan is a treasury strategy which is designed to ensure sufficient headroom above covenants is maintained for the entirety of the plan. There are a set of liquidity Golden Rules to ensure cash-flows are managed and there is sufficient security available to support all debt requirements within the financial plan. Within the year, the Group has had limited Treasury activity due to the activities undertaken in the previous year. A £30m facility was fixed in February 2024 protecting the Group from interest rate risk. As at 31 March 2024 the Group has £144m fully secured undrawn facilities to support business objectives going forward. The hedged position of all facilities at 31 March stands in line with Board approved parameters at 81%.

Gearing is low, standing at 48.5% at 31 March, with ample headroom above covenant requirements maintained across the funded entities through to peak debt in FY27 before it starts to reduce down. The Group balance sheet remains strong with increased debt supporting asset investment and delivery of new units.

Maintaining our income during this unprecedented "cost of living" crisis is essential to our financial viability, and designated support for our customers has helped protect our rent recovery with our rent collection for the year standing at 99.51%. It is recognised, however, that the economic climate and financial pressures on our customers is potentially set to deepen and the business plan contains provisions to provide support for customers to ensure that collection is protected going forward.

We regularly review the financial performance of all our homes to make sure that our management costs are as efficient and effective as possible. For example, when homes become empty, we look at options for selling or transferring them to another landlord where this makes economic sense. In 2023/24 we were able to raise over £300,000 of additional surplus this way.

The Board have also considered the property portfolio and set a clear direction of travel for simplification. Work is ongoing to explore divestment options of properties which meet the criteria as set out by the Board.

The Group has a number of diverse investments which, whilst aligned to our business, are not classed as core. These include investments in PFI schemes where the Group is a shareholder and delivers some landlord and housing management functions.

In FY21 we acquired all of the share capital in the Avantage PFI following a fire at one of the sites. All of the interested parties have been working hard to find a viable solution for this PFI project and discussions are ongoing. The Group board has been undertaking a series of stress tests looking at subsidiary risk and enacting mitigation strategies as appropriate. The Board have full oversight of this and are receiving specialist legal and financial advice.

PRIORITY 4 – DELIVER NEW AFFORDABLE HOMES

Our plan sets our plans for future growth. We are committed to help solve the national housing crisis and meet the demand for new homes but understand the need to balance our growth against the obligations to our existing customers.

Our current growth strategy delivers a balanced portfolio of developments to serve the needs of a range of customers and that will deliver revenues which are counter cyclical, and resistant to economic and political influences that cannot be controlled by YHG. Our plan is to hold our new assets, with only a nominal amount for open market sale and the remainder predominantly (c80%) for social /affordable rent. We are developing mixed tenure sites in mostly urban locations with good transport links, good schools and local amenities that our customers need.

To help us achieve our objectives, in 2019 we entered into a strategic partnership with Homes England, this gives us security of grant when considering schemes for the development of new social housing.

During FY24 we completed 460 homes and started on site with 325 new homes so that as at the end of March 2024 the Group were physically on-site constructing a further 961 homes.

FY24 continued to be a challenging year in construction nationally and YHG has not been immune to the impacts. During the year we have concluded discussions with Homes England in respect of the Strategic Partnership delivery pledge to deliver 2,315 and have reduced the units to 1,969. YHG have secured additional funds of £6,532k to deliver the plan. All agreed start on sites have been claimed by 31st March 2024.

We have seen slower than expected spend on the remediation of our Ten Acres Lane Development and planning delays on several projects. Capital expenditure was £14,404k lower than budget.

We have experienced slower than expected sales on one of our completed sites, a scheme for over-55's in Northwich but, generally, interest in our shared ownership homes remained strong in the year and we saw sales values remain stable and, on some sites, increase above the original appraisal.

Development sales for the year are 21 units ahead of budget the increase in sales values, resulted in us exceeding out sales value target.

Within our business plan we have provisions to deliver our revised Homes England target of 1,968 homes.

Our Growth strategy is funded from a mixture of external debt, sales receipts grant funding and cash reserves.

OUR PEOPLE, CULTURE AND VALUES

This year we launched a new people strategy designed to ensure we have a high performing, engaged workforce with the right skills, experience and behaviours to deliver our corporate strategy.

Our values sit at the heart of our new people strategy and are the basis for the culture we are building.



The UK employment market remains challenging with low levels of unemployment (3.8% at the end of 2023), and recruitment is particularly challenging around some key specialisms within the housing sector. We want to have an employer brand and culture which attracts and retains a diverse group of talented individuals who serve our customers well, and our values are core to that.

We worked with our colleagues during the year to turn our values into a behavioural framework, so everyone at Your Housing Group is clear what is expected from them and how we want them to treat our customers. Developing the framework with our colleagues ensures there is a strong commitment to it.

To ensure we understand the current skills we have in the business and those we will need to deliver our future strategy we have developed a capability matrix. This enables to identify any shortfalls so we can take action to resolve either through our learning and development activity or through future recruitment.

We have also launched our Learning and Development offer, demonstrating to our employees how we are investing in them through a range of opportunities. We want to nurture talent and have

development pathways for colleagues at each stage of their career. Our offer also responds to the new requirements around professionalism within housing and this year we have already seen 15 colleagues progressing through their level 4 in Housing Management, accessing the apprenticeship levy fund. This is part of the professionalisation of the Housing Sector which requires identified managers to have a level 4 or 5 qualification. We also have 5 of our senior managers completing their level 5 in Housing Management. A further cohort is expected later this year and into 2025. .

Inclusivity is a key principle of all we do. We understand the value that a range of diverse backgrounds can bring to the way we work and the services we provide, and we understand that inclusivity drives that diversity. During the year our Board and Senior Leadership undertook training in Culture Intelligence, building their understanding of cultural differences to reduce and remove barriers to participation. During the year we also reviewed our recruitment and induction processes, making small changes to ensure they were truly inclusive.

SUSTAINABILITY

As a housing association we feel we can play our part in sustainability by providing people with safe, affordable homes and contributing to strong inclusive communities whilst minimizing our own impact on the environment.

We have adopted the Sustainability Reporting Standard for Social Housing (SRS) as a framework to report on our performance against a range of Environmental, Social and Governance criteria.



During the year we published our second Group Sustainability Report, against this framework, which is available on our website at <https://www.yourhousinggroup.co.uk/>.

YOUR HOUSING GROUP LIMITED
STRATEGIC REPORT – SUMMARY OF FINANCIAL RESULTS

YEAR ENDED 31 MARCH 2024

Strategic Report – Summary of Financial Results

Statement of Comprehensive Income (£m)	2023/24	2022/23	2021/22
Turnover	199.3	181.1	157.5
Operating surplus (excluding surplus on the sale of fixed assets)	14.5	(10.4)	4.4
Earnings before tax (EBT)	(11.8)	(17.6)	(4.7)

Statement of Financial Position (£m)	2023/24	2023/23	2021/22
Fixed assets	1,310.7	1,286.6	1,242.4
Net current assets	153.4	124.7	146.2
Long term creditors – debt	658.7	572.4	537.9
Long term creditors – grants	472.2	473.1	476.8
Long term creditors – other and provisions	55.8	74.1	70.5
Reserves	266.8	281.7	303.3

Accommodation figures	2023/24	2022/23	2021/22
Total social housing owned and managed – during the year	26,583	26,523	26,806

The strategy of YHG continues to be focused on maintaining our ability to generate surpluses that can be both reinvested into our existing homes and invested in the development of new homes. We achieve this through ensuring we have sufficient cash and liquidity resources.

After completion of a number of large-scale treasury projects, including new facilities, during FY23, FY24 focussed broadly on proactive work, particularly around the Group's security position and investor relations. To maintain a high level of protection from interest rate risk in line with the Group's Treasury Management Policy requirement, YHL executed a fix against a variable facility in February 2024. The increased proportion of fixed debt within the loan facilities has protected interest cover headroom over the short term due to savings made against the variable position. No new facilities have been agreed in the year as available liquidity continues to support the delivery of the corporate objectives, including capital reinvestment in assets and development of new homes, through to the next substantial refinancing point in 2027. The next phase of the treasury strategy will be reviewed and presented to Board during FY25 which will look at addressing upcoming refinancing points and ensure the treasury position maintains continuing support of the corporate objectives in the most effective and cost-efficient way.

FY24 was the fourth year of delivery against our Capital Reinvestment programme, where we have an objective of deploying more than £219m over five years in our existing homes. In FY24 YHG spent a further £34.0m on planned investment (2023: £30.8m) taking total reinvestment to £149M over

YOUR HOUSING GROUP LIMITED**STRATEGIC REPORT – SUMMARY OF FINANCIAL RESULTS****YEAR ENDED 31 MARCH 2024**

the four years with a further £32.0m planned for FY25. We delivered 2,952 components versus a target of 3,399. This included the installation of 471 new kitchens, 489 bathrooms and 371 new boilers for our customers.

Alongside this improvement for our existing residents, we invested a further £69.9m in the creation of new homes during FY24. YHG completed 460 homes during the year and started on site with 325 new homes so that as at the end of March 2024 the Group were physically on site constructing 961 new homes.

The Board continues to focus on the achievement of key delivery targets in the long-term. Such targets are based substantially around strategic priorities of the Group including “Keep Everyone Safe” and “Be a Great Landlord”. The safety of our customers remains the number one priority, and YHG is committed to deploying the required financial resources to maintain this. In the year we spent £9.9m on making our homes safer. Our customer satisfaction ranks equally highly, with a 2% improvement recorded during FY24, and again the Board is absolutely committed to ensuring that sufficient resources are deployed in delivering these priorities.

The Board remains committed to improving Value for Money (VFM) and ensures at a delivery level, underpinning each of the strategies, actions to improve VFM, either from greater efficiency, better effectiveness, or optimising economy, are clearly laid out.

For the year we are reporting a Financial Loss of £13.4m. Avantage has led to a £16.4m loss for the Group. This is mainly due to the buyback of the leaseholders at the Beechmere scheme which has yet to be rebuilt. As negotiations are ongoing with Avantage on a solution, YHL has impaired the leases as there is currently no properties on the land. The Group has also seen increasing costs in repairs and maintenance in a continued effort to meet the additional requirements as well as reducing backlogs across day-to-day repairs and managing voids back into use. Turnover increased compared with last year by £18.2m. The main contributor is an increase in development sales, along with an increase in rental income (7% rent increase).

Operating Performance and Statement of Financial Position

OPERATING PERFORMANCE

Key performance measures for the year were:

- Income increased to £199.3m (2023: £181.1m); driven by additional rental income and service charge income.
- Operating Costs reduced in the year to £184.8m (2023: £191.5m) mainly as a result of exceptional one-off costs in FY23 not reoccurring (remedial works to our PFI schemes). Underlying operational costs increased despite achieving £8.6m of cost efficiencies. This is as a result of increased demand for repairs and maintenance services including legal disrepair claims lodged and satisfied, substantial investment during the year to tackle the recovery of void homes back into management and ongoing fire and building safety obligations to ensure the continued safety of our customers. Another exceptional one-off costs relates to the impairment of Beechmere leaseholder buybacks, yet to be rebuilt (£5.3m).

YOUR HOUSING GROUP LIMITED**STRATEGIC REPORT – SUMMARY OF FINANCIAL RESULTS****YEAR ENDED 31 MARCH 2024**

- Operating surplus excluding fixed assets sales and movement in fair value was £14.5m (2023: loss of £10.4m) with a margin of 7.3% (2023: -5.7%).
- Interest costs increased in the year by £11.6m, driven by loan break costs and loan drawdowns.

STATEMENT OF FINANCIAL POSITION

At 31 March 2024, the Group's Statement of Financial Position demonstrated considerable strength, and the Group remained financially robust, with access to substantial liquidity and cash through our Revolving Credit Facility (RCFs), which can more than cover the current liabilities at year end and future commitments. Key performance measures were:

- The Net Book Value (NBV) of fixed assets was £1,310.7m (2023: £1,286.6m).
- At the year end the Group had invested £71m (2023: £57m) in relation to properties under construction.
- The Group owned and managed 29,460 homes.
- The fair value investment properties were £72.1m (2023: £77.6m). The Board appointed JLL and Savills as independent experts to impartially value investment property of the Group as at 31 March 2024. All valuations were conducted in line with RICS methodology.
- The Group had £79.8m (2023: £69.9m) of cash and cash equivalents with £144m (2023: £245m) additional undrawn facilities, based on existing debt facilities.
- Gearing decreased to 42.4% (2023: 45.1%) as a result of the increased loan balance over the year as planned, with the new debt being spent on assets under construction which are excluded from the metric.
- The Group had reserves of £266.8m (2023: £281.6m).
- The net defined benefit liability at the year ended 31 March 2024 is £15.2m (2023: £15.4m).

DEBT STRUCTURE AND MONITORING

The Group's treasury strategy details principles and actions that underpin a proactive treasury management approach whilst balancing risk management and value for money. The key strategic aims focus on maintaining facilities that support the Group's corporate objectives whilst delivering:

- Full covenant compliance with forecast headroom above Board's risk appetite
- Maintenance of a prudent liquidity buffer
- A well-structured portfolio that delivers value for money, is appropriately hedged, and has a reasonable funding and lender mix
- A primed security pool ready for charging at the point of executing new debt

Current Portfolio

The Group has loan facilities held within YHL, Frontis and Avantage, with ten lenders across the three entities. As at 31 March 2024, the Group had total borrowings of £663.9m (2023: £585.7m) with a weighted average cost of funds of 3.17% (2023: 3.91%) which compares favourably to peers in the sector. This has reduced in the period due to full repayments of two high-rate legacy facilities. At year-end the proportion of debt on a fixed rate basis stood at 81% (2023: 90%). A £30m facility was fixed during the period to preserve the hedged position and mitigate against higher variable rates over the short term.

During FY24 the Group has made £23.2m of debt repayments and has drawn £101m from existing facilities. The repayments in the period include the full repayment of facilities with two lenders,

YOUR HOUSING GROUP LIMITED**STRATEGIC REPORT – SUMMARY OF FINANCIAL RESULTS****YEAR ENDED 31 MARCH 2024**

including one early prepayment of a facility on a historically high rate. Further debt analysis can be found in note 24. Loan covenants within the facilities are predominantly focussed on Interest Cover and Gearing and all were met.

Interest costs of £32.2m (2023: £20.6m) include break costs of £5.4m for prepayment of the high-rate facility. This has been replaced with debt drawn on a fixed rate basis representing a 6.09% saving in interest rate going forward. The remainder of the interest payable increase is broadly attributable to the increase in debt during the period.

Liquidity

The liquidity position remains strong with Group cash balances of £79.8m and available revolving credit facilities (RCF) of £144m as at 31 March 2024. This provides a considerable liquidity pool to support our strategic objectives over the medium term, with current business plan forecasts demonstrating the facilities are sufficient to meet cash requirements until a substantial refinancing point in FY28. Group peak debt is projected to be £745m during FY27.

Substantial refinancing points for the Group fall within 2027 – 2030 and future funding is currently under review.

Risk management

The fundamentals around funding risk and liquidity risk are managed via the Group's golden rules and business plan triggers. There are further operational controls around these risks along with interest rate management and counterparty exposure within the Treasury Management Policy (TMP). This ensures treasury activities are controlled effectively by identification, monitoring and mitigating of such risks.

Adherence to the TMP is monitored via regular reporting to the Group Board, Investment Committee and the Executive Leadership Team with robust operational controls underpinning effective reporting within the Treasury function. Surplus funds are invested with counterparties meeting the terms of our Group treasury management policy and these are monitored to ensure compliance. Our investment policy is risk averse and aims to minimise the risk of financial loss or liquidity exposure. We do not hold any financial instruments for speculative purposes.

Forward look

The Group has substantial refinancing points between 2027 and 2030 and the fixed rate proportion of the Group's facilities are waning as short-term drawdowns are from the variable rate RCF facilities. FY25 treasury strategy will therefore consider:

- Additional debt to bolster available liquidity and provide some buffer against the FY28 refinancing point
- Current facilities will be reviewed with potential extensions explored to mitigate the refinancing risk over the short-term
- Future fixes of existing and/or new facilities will be sought to maintain a high proportion of fixed -rate debt and limit the exposure to variable rate fluctuations in line with Board appetite

Maintaining active security work to ensure a readily available pool to support future strategy requirements.

VFM Report FY2024**OVERARCHING VFM AMBITION AND APPROACH**

The overall aim for YHG is to utilise our available resources effectively and efficiently to deliver our key strategic objectives. It is our ambition to manage an estate of safe desirable homes in which residents want to live and feel supported by our services and to build new fit for purpose homes to meet rising demand where our resources permit. We will do this by:

1. Prioritising resources in alignment with our strategic objectives
2. Stopping doing things which don't deliver our strategic objectives
3. Maximising what we have available through cost reduction and added value
4. Leveraging our activities to deliver even greater value to our customers and communities
5. Being more efficient through the use of better processes and technology

The Board remains committed to improving Value For Money (VFM) and ensures at a delivery level, underpinning each of the strategies, actions to improve VFM, either from greater efficiency, better effectiveness, or optimising economy, are clearly laid out.

The Board has developed a Financial Plan, which together with the Corporate Strategy, makes up the Business Plan. This is a difficult period for the housing sector due to the current operating environment, the need for higher investment in our stock, to deliver better quality homes, additional fire and building safety requirements and environmental commitments, however we have developed a robust plan to ensure we have the capacity to deliver all of our objectives and the additional requirements within the sector.

In developing the plan, the Board has allocated financial resources in accordance with the agreed priorities. It has also included efficiency targets looking to reduce operating expenditure over the life of the plan. We will do this by using innovation and technology to drive efficiency and a constant review of our processes and procedures. This will allow us to direct more resources to the frontline, help services be delivered more effectively and ensure we are delivering on our objectives of keeping everyone safe and being a great landlord.

Whilst the VFM financial metrics may have a mixture of changes, because of the link between increased spending commitments and profitability, this is done in the context of ensuring that the business planning process reflects the consequences of the investment required in the stock, both in terms of a sound asset base and meeting all of the legal and regulatory requirements and aspirations going forward.

Although some of these strategic decisions will reduce the financial performance reflected in the financial metrics, they are still done on the basis of complying with all of the covenants set by the funders to a significant degree as well as the "Golden Rules" set by the board as an early warning indicator against these covenants.

OUR DELIVERY OF VFM IN FY24

Prioritising resources in alignment with our strategic objectives

Having our clearly articulated corporate strategy means that we are clear where we are focusing our finite resources. If decisions need to be made about the allocation or use of resources, we are guided by the prioritisation provided by the Board. This means there is a clear direction, and resources are used to deliver the strategy.

Key highlights for us this year have been:-

- i) Building safety remains high as our number one priority, and we have invested £8m (Capital and revenue expenditure) in FY24 on fire and other related safety improvement works.
- ii) Increased resource to the inhouse repairs team to respond to a growth in demand for repairs and damp and mould work with completed jobs at an all-time high.
- iii) The customer satisfaction for FY24 is 74%, achieving the aim to consolidate the position from the prior year. This represented an increase of 2% on FY23, the fourth consecutive year of improvement, and shows our continued dedication in delivering services that are needed and valued by our customer.
- iv) Further funding has been secured of £1.5m to upgrade 1,116 properties to EPC-C, plus a further £1.3m spent on External Wall Insulation allowing YHG to reduce the utility bills for our tenants at a time of increasing energy costs.
- v) We have concluded successful negotiations with Homes England to revise the Strategic Partnership commitment in the light of external factors, e.g. inflationary pressure and planning delays. As the result of these negotiations, we were able to secure additional grants of £9.7m. We were able to claim all starts on site for the Strategic Partnership by the deadline of 31st March 2024 with significant activity in the final quarter of the year.

Keeping everyone safe and being a great landlord are our top priorities. In our current business plan, we have high level of investment in our existing stock to ensure that we meet all the current regulatory requirements, such as EPC-C and Decent homes 2 and continue with our on-going commitment to provide the highest standard of housing.

Our growth Ambition is to deliver the Strategic Partnership with Homes England which has been extended to March 2026.

Maximising what we have available through cost reduction and added value

The board monitors all investment across the group and seeks to maximise outcomes for residents by delivering VFM across its entire spend, in 2023/24 the main highlights were: -

- i) Through effective purchasing and Procurement processes the Group has benefitted from c£3,888k EBITDA improvement in-year. This has been provided by £348k cost avoidance, and £3,530k expenditure savings (of which £2,368k resulted from renegotiation of electricity prices - the majority of this will be passed to customers via service charge reductions). The Procurement EBITDA improvement target was £1.6m.

- ii) YHG are committed to creating social value through our core activities. Core activity refers to how we generate a social value return via the delivery of services to our tenants which include (but are not limited to):
- Employment support
 - Community investment activity
 - Money Advice
 - Tenancy Support
 - Foyers and supported housing

In FY24 YHG was able to generate over £3.2m worth of social value through core activities engaging with over 430 individuals in the process, averaging c£7.5k per person additional social value through initiatives such as the Tung Sing Innovation Fund, The Hope Pantry in Partington and High-Rise repair days.

- iii) Although it has been a difficult year for the housing sector, we have continued with the drive on efficiencies and have delivered in year cost savings of £3m on our back-office efficiency plan and £8.6m achieved on our corporate efficiency plan. This has allowed us to redirect the spend to other areas to ensure we are keeping our customers safe and providing good quality homes/services.
- iv) In FY24 property turnover rates have remained on track with FY23's relatively low levels reflecting the fact that proactive property management has led to reduced levels of disruption for our customers and increased customer satisfaction as seen in the FY24 STAR responses.

Leveraging our activities to deliver even greater value to our customers and communities

We continue to leverage our activities to ensure that we are delivering value for money throughout the business. In FY24, we have achieved the following:

- i) We feel, more than ever, good quality, affordable housing will be important for people and we're still doing our bit to contribute to resolving the housing crisis. This year, we delivered 460 new homes and started on site with another 325 homes.
- ii) The Investment programme has delivered over £18m in FY24, which included 1,493 property upgrades, delivering better quality homes to customers and potentially leading to reduced reactive repairs.
- iii) 1st tranche sales exceeded target by £5.2m with higher equity stakes sold adding £3.3m and a further £2.1m of favourable price/mix variance. This contributed an additional £2.1m of surplus.
- iv) The Income and Money Advice Team provided assistance to over 3,000 customers securing over £4m of benefit gains for them. This included £1.5m of Housing Benefit Claims, £987k of Universal Credit payments and 542 charitable grants totalling £129k, leading to the purchase of white goods, energy vouchers and other essential items for customers.

YOUR HOUSING GROUP LIMITED
STRATEGIC REPORT – VALUE FOR MONEY

YEAR ENDED 31 MARCH 2024

Being more efficient through the use of better processes and technology

To deliver ever greater value to our customers we have aligned ourselves to the greater use of technology in how we operate YHG. This is a long-term strategy and underpins the savings plan outlined in our Business Plan running up until 2028. Key highlights for us this year have been:-

- i) Further refinement of dynamic scheduling and the operating model surrounding it has improved operative productivity to 3.7 jobs per day, which delivers an efficient use of finite resource to providing a safe and desirable home environment.
- ii) Investment in ICT systems and technology of £1.9M to further develop software and ways of working.

VFM SCORECARD

This report sets out how we have performed in FY24 in respect of the Regulator’s VFM metrics and against our peers. It also provides an analysis of how these metrics will change as we move forward and make significant investments in our stock.

As well as monitoring our performance against our strategic objectives and targets, in accordance with the Regulator’s requirements we also measure our value for money against the Regulator’s technical metrics and in comparison, with our peers. The charts below reflect the set of metrics specified by the Regulator of Social Housing to measure and compare VFM across the sector. The House Mark global accounts comparison tool has been used to obtain benchmark data for the North West, West Midlands and Yorkshire and Humberside Regional Group.

Value for Money Metrics	2023/2024	2023/2024 Target	2022/2023 (as restated)	Benchmark 22/23
Reinvestment	8.6%	8.4%	5.7%	7.6%
New supply delivered (Social)	1.72%	1.73%	1.42%	1.12%
New supply delivered (Non-Social)	0.01%	0.00%	0.00%	0.00%
Gearing - loans / fixed assets	48.5%	48.7%	44.1%	42.5%
EBITDA (MRI)	21.5%	46.9%	(58.9%)	129.0%
Headline social housing cost per unit	£6,246	£6,557	£6,661	£4,422
Operating margin	7.3%	12.2%	(5.7%)	15.5%
Operating margin – SHL	6.8%	12.5%	1.0%	17.8%
R O C E	1.2%	1.9%	(0.4%)	2.9%

Benchmark data has been taken from Housemark for 22/23.

Re-Investment

In 2023/24, we re-invested 8.6% of the total value of our housing assets.

Investing in and maintaining the standard of our existing homes remains one of our main priorities, during the year we have invested over £30m in our existing housing properties stock. This represents thousands of new kitchens, bathrooms and heating systems for our customers.

We have invested over £70m on the development of new housing properties, which represented 460 new homes. We continued to work in partnership with Homes England to deliver our strategic ambition of building new homes and to play our part in helping to solve the housing crisis. In addition to the 460 new homes completed in the year, we started on site with a further 325 new homes. In the year, we were behind target as the result of several factors: planning delays meant that we were not able to progress some of our sites as quickly as we would have hoped; we had to amend the Strategic Partnership programme which resulted in some schemes being deferred or cancelled and other schemes replacing them, but these started later in the year than budgeted.

Over the next 5 years, our business plan targets includes significant spend on existing properties and the development of new properties as we continue to improve the quality of our homes and complete our strategic partnership with homes England.

New Supply

The New supply metric sets out the number of new housing units (owned/managed) that have been acquired or developed in the year as a proportion of total housing units (owned/ managed) at period end.

Overall, our new supply was in line with our target and in 2023/24 we have delivered 460 units, of which 458 were social units and 2 non-social units. This was an increase on prior year of 83 units and places us above the sector average.

As at the end of March 2024, the Group were physically on site constructing 961 homes.

Within our business plan, we have provisions to deliver our revised Homes England target of 1,968 and a future growth strategy that delivers a balanced portfolio of developments to serve the needs of a range of customers.

Gearing

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

YHG's gearing for 2023/24 was 48.5%, which is above the sector average, however this represents our planned increase in investment of our existing and new stock as part of our commitments to provide decent quality homes and contribution to help solve the national housing crisis. We were 0.2% lower than target for the year due to underspends in both the asset and development programmes compared to target.

Our business plan shows capacity to fund our corporate objectives whilst maintaining substantial headroom from covenant maximums. The group balance sheet remains strong with increased debt supporting our asset and development programmes.

EBITDA (MRI)

The (EBITDA MRI) interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.

This metric deducts capitalised major repairs from the operating margin and is therefore impacted by the high level of investment we are making in our existing stock to improve the quality of our homes and ensure we have a safe place for people to live. Although we were behind target for the year, we have made significant improvement from the prior year, despite the current operating environment and financial pressures within the sector and also specific challenges for us as an organisation. We have also made efficiencies in the year, which has enabled us to redirect spend to other areas to ensure the safety of our customers.

The group facilities are based on an EBITDA covenant until FY27, after which the strictest definition becomes EBITDA (MRI). This allows the Group to continue with a period of stock investment, delivering further improvements to our stock over the next 3 years.

As we invest heavily in our stock over the next few years, we expect we will remain behind our comparators, but will return to closer to the sector average towards the end of our five-year plan.

Headline social housing CPU

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator.

Although comparison of our Headline Social Costs per unit shows that the Group's costs are higher than the peer group, the Group has a significantly high proportion of supported housing and housing for older people within its stock. The Regulator has recognised that this type of stock has an overall higher cost per unit and therefore this is reflected in this metric.

The current operating environment is having an impact on this metric across the sector, however we have managed our costs, liaising with management and board and remained below target for the year. We will need to continue to identify efficiencies to reduce our cost per unit to bring us more in line with our peers.

Within this metric there are vital areas of spend that the Board prioritises such as fire and building safety. However, there are some key areas where we have targeted real cost reductions over the business plan and work is on-going to drive efficiencies through the business to ensure we meet our business plan targets which shows a reduction in our cost per unit.

Operating Margin

Our operating margin performance is lower than the sector averages, though it is apparent that margins are under pressure across the sector due to the difficult operating environment we are currently facing and the need for higher investment in our stock, to deliver better quality homes, additional fire and building safety requirements and environmental commitments.

Our performance was lower than target, driven by fire and building safety works to ensure the safety of our customer, additional disrepairs cases, increased demand and costs within our repairs department and increased void costs to ensure that as many homes as possible are in management.

The board continues to focus on the achievement of key delivery targets in the long term and our business plan reflects our continued focus on driving improvements in this area to bring us in line with sector averages over the next 5 years.

Return On Capital Employed

This metric compares the operating surplus to total assets less current liabilities and is a common measure to assess the efficient investment of capital resources.

Return on Capital Employed (ROCE) was below target for the year due to the challenges mentioned above. Whilst this places YHG in the lower quartile for the sector, it does reflect the increased spend in both Development and Asset Investment, in-line with the Corporate Objectives and commitments to improving the quality of homes and creating new homes for people to live.

This metric is expected to improve over the next 5 years as we continue to drive efficiencies through the business.

Value for Money Summary

The Group has been developing a clearly articulated strategy with appropriate prioritisation which means that we are clear where we are focusing resources in the future and how we are delivering value for money. It is inevitable that the investment we are making in our existing stock will drive a reduction in financial metrics such as ROCE, operating margins and EBITDA (MRI), however in delivering each of the strategies underpinning the Business Plan we are clear how we will deliver VFM, either from greater efficiency, better effectiveness, or optimising economy.

Strategic Report – Risks and Uncertainties

Risk

The Group's Risk and Assurance Framework supports the effective identification, assessment, management and monitoring of strategic and operational risks. Risk and assurance reporting forms a core part of the Group's governance arrangements and informs the Group's strategic planning and decision-making activities in line with the Group's Risk Appetite Statement which has been set by the Board.

This financial year has seen unprecedented emerging risks from macroeconomic factors and external events which has resulted in heightened market and economic uncertainty which we have reflected in our risk mitigation strategies. The external operating environments have been heavily impacted by global events in recent years, for example global economic recovery from the Covid-19 pandemic, Brexit and the war in Ukraine created a number of challenges for the business, our customers and partners.

More specifically, the challenges have been felt by the wider sector in relation to, supply chain issues, increased costs, labour shortages and societal changes.

The Board and the Audit and Risk Committee received regular updates on risk and assurance activity via regular reporting and the Board Assurance Framework. The Audit and Risk Committee has ensured that both strategic and operational risks are appropriately mitigated and there is an appropriate assurance to assess the effectiveness of identified controls.

Alongside this, a proactive and robust horizon scanning framework ensures that the Group is aware of emerging issues impacting the sector and this year has seen significant proposed changes in respect of regulation (such as the Social Housing Bill and focus on damp and mould) which the Group has reacted to proactively.

INTERNAL AUDIT

Internal audit activity is an integral part of our risk and assurance framework and ensures that internal controls are assessed independently, and assurance is provided on the effectiveness of the mitigation are in place. During the year, we have worked with our internal audit partner, PWC, to conduct a comprehensive programme of internal audits to help provide assurance on the systems and processes of internal control and ensure that robust arrangements are in place, either pre-existing or as a result of the reviews.

KEY RISKS

We have identified key risks that threaten the achievement of our strategic objectives which have been considered in line with the Sector Risk Profile produced by the Regulator of Social Housing and continued to ensure we work towards implementing the requirements of the Social Housing Bill. In addition to the risks with our strategic risk register, we also undertake monthly horizon scanning and report to our Board emerging risk issues.

A summary of the key strategic risks are as follows:

RISKS	MITIGATIONS
<p><u>Financial viability</u> We have identified a key strategic risk concerning maintaining sufficient liquidity and funding to deliver all the aspirations in the business plan.</p>	<p>Mitigation controls in place include robust stress testing that responds to external challenges to produce a pragmatic 30-year business plan approved by Group Board to assess capacity and requirements for growth. This includes multi-variate stress testing for the potential variables (including increased labour and construction costs and rent changes), showing and testing the breaking points in the plan. The Group has also a comprehensive business planning process to support the above which include identification of efficiencies for current and future years.</p>
<p><u>Customer</u> We have a strategic risk that we are unable to deliver the required level of customer service which leads to a decline in customer base, higher turnover, management costs and poor reputation</p>	<p>In the year we have made improvements to our customer operating model to ensure that a high level of customer service can be maintained in light of the current changes to the external environment and have worked towards preparedness for the Social Housing Bill. We have adopted the Tenant Satisfaction Measures (TSM’s) which have been incorporated into the performance framework. The Group is also implementing a complaints lab to deep dive into complaints, learn lessons and make improvements to future processes.</p>
<p><u>People</u> Our key people risk is that the Group will not have the people with the right skills, experience and behaviours to successfully deliver the business plan.</p>	<p>In this year we have developed a new People Strategy which will be rolled out in FY24, aimed at supporting staff development, retaining talent and increasing capability within the business. We have been mindful of labour market fluctuations brought upon by “The Great Resignation” and have monitored staffing numbers closely. We are also reviewing our wider employee offer to ensure we remain the employer of choice in the current market.</p>
<p><u>Operational Risks</u> There is a risk arising from internal processes and systems, such as the ICT capability and the need for robust testing of the Group’s Business Continuity arrangements.</p>	<p>Business Continuity framework and responses remain robust, and this year has seen the development of the Group Cyber Response Plans. The Group has significantly strengthened its ICT security controls to protect against attacks with the implementation of the 24/7 network monitoring systems. Further mitigations include comprehensive understanding of our critical systems, planning and testing for how we will</p>

RISKS

MITIGATIONS

continue to provide critical systems and recovery in the event of a serious threat.

The Group is also developing its ICT capability and infrastructure to enable growth aligned to the objectives of the business plan. Mitigating controls in respect of a robust project governance process ensures that there is appropriate degree of control and oversight is in place to support the level of change within the business.

Compliance and legal

The Group have identified two key strategic health and safety risks concerning keeping staff and customers safe.

There is a risk from the external regulatory and legal environment.

Mitigation controls include a robust health and safety management system, including a group wide health and safety audit plan, which acts as a second line of defence.

The Group monitors its compliance with statutory obligations through a series of system driven analytical data. During the year we have continued with our commitment to being compliant in our landlord obligations in respect of customer safety, despite the sector wide risk of increased costs and availability of materials and labour.

We have further strengthened our Horizon scanning framework this year and ensured proposed changes to the legal and regulatory environment and a horizon scan and view of emerging issues are carried out monthly and reported to the Executive and the Board.

Growth

There is a risk of not achieving our targets for growth and not delivering the desired number of new homes in our growth strategy.

Counterparty risks, in particular within the supply chain, which may impact the Group’s Development ambitions are also considered.

The Group is not immune to the issue of increased labour and materials costs and availability risk during the year. We have however with careful mitigation strategies limited our exposure.

Mitigation controls in place include increasing internal resource and capacity and maintaining proactive relationships with local authorities, professional advisors, developers and contractors. The Group recognised that changes in the external construction environment may impact our growth targets and therefore mitigations also included monitoring of the external environment developing the supply chain and leveraging our procurement frameworks.

We closely monitor contractor activity in a number of ways and will take prompt action if a potential issue is identified. The Group has also developed an active list of strategic suppliers across all areas which is monitored regularly.

Data

The Group has refreshed its data related risk, to recognise the progress in respect of the data held. The risk has been

We have significantly strengthened our technical ability to capture, govern and manage data through our Data Governance tools Collibra and Informatica. Data accuracy is an important enabling factor in ensuring the delivery of effective services and

RISKS

refocused to ensure that there is sufficient focus on the availability and need for appropriately governed data to underpin business decision making.

MITIGATIONS

complying with regulations and therefore data accuracy is key driver in the delivery of the Data Strategy.

IMPACT OF WIDER ECONOMIC FACTORS & EMERGING RISKS

During the year we have continued to evaluate the potential impact from a combination of macroeconomic events, such as global recovery from Covid 19, impact of Brexit on supply chain war in Ukraine, which has led to an increase energy costs, against the backdrop of the cost-of-living crisis. We continuously reviewed, refreshed mitigations, informed Board and updated risk registers to reflect the evaluation of our current strategic risks.

EMERGING EXTERNAL RISKS

During the year we have continued to evaluate the potential impact that a combination of Covid 19, Brexit, Cost of Living increase and other factors may have on our business and ensured any risk were reflected in the Group’s risks registers and the Board are kept informed. Where relevant we have reflected the results of this exercise in the evaluation of our current strategic risks and mitigations.

POTENTIAL IMPACT

Interest, inflation and currency risk and access to finance.

EVALUATION/MITIGATIONS

The Group does not carry a currency risk. We have a proactive and robust stress testing methodology. During the year, with the support of our treasury advisors, we assessed key scenario’s that would “break” the business plan & validated their impact and mitigations prior to the preparation of the business plan. Despite a challenging financial market, we currently have good financial reserves and liquidity, and we have stress tested around this issue. We also, as demonstrated by the achievement of our Treasury Strategy this year have good access to finance.

Declining customer affordability and impact on arrears.

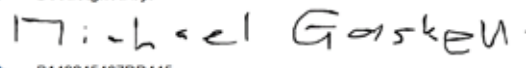
Increase in cost of living and energy prices has put unprecedented pressures on the financial priorities for our customers. We have continued to support our residents through our increased Money Advice Team and also referrals to debt charities such as Step Change. Arrears collection has remained strong during the year and overall performance against this KPI for the year has been within target.

Staff Shortages & Labour Availability.

The job market has fluctuated nationally, and the sector has seen pinch points in specific skill sets and trades, however the buoyant labour market has also presented an opportunity risk in relation to efficiencies and new skills into the Group.

POTENTIAL IMPACT	EVALUATION/MITIGATIONS
<p>Availability of labour and materials</p>	<p>The Group has rolled out a Recruit well plan in addition to a new People Strategy. As further mitigation, single points of failures have been documented to minimise a capability shortfall.</p> <p>Increased labour and materials costs and delays to construction was considered as part of the stress testing of the business plan and mitigations considered.</p> <p>Predictions are that we may continue to see supply chain issues on a global scale for certain goods and materials. In the longer term, markets predict that the rebuilding of infrastructure in Ukraine will place further pressure on the supply chain.</p> <p>We have minimised the impact from this risk via leveraging our procurement strategy and frameworks.</p>
<p>Supply Chain Issues & Supplier Solvency</p>	<p>We actively monitor our critical strategic suppliers to ensure that we understand their financial status and have resilience in respect of the goods and services they provided. We also mitigate this risk by our strong relationships with our suppliers and the wider network. Disruption in the supply chain has impacted the wider sector with certain pinch points, however the Group has not seen a material impact as a result of supply chain disruption. Market predictions are that supply chain issues will continue due to the pressures on rebuilding infrastructure following the war in Ukraine.</p> <p>Recent public sector strikes have not caused significant disruption to the Group’s ability to provide services or operate the business.</p>

The Strategic Report was approved and authorised by the Board on 19 September 2024 and signed on its behalf by:

DocuSigned by:

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Michael Gaskell
 Chair

Signed by:

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Stuart Coe
 Non-Executive Director

Signed by:

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Clare Oakley
 Group Company Secretary

Report of the Board – Governance

Our Group Board is responsible for the long-term strategy and viability of the Group. As at 31 March 2024, the Board comprised 10 Non-Executive Members.

Our Board is responsible for providing leadership for the Group within a framework of prudent and effective controls. It sets out our strategic direction, objectives, values and standards, reviews management performance and ensures that the necessary financial, material and human resources are in place for us to meet our objectives.

The Board has reserved the following matters for its consideration in accordance with the provisions of the National Housing Federation (NHF) Code of Governance 2020:

- i) Setting and ensuring compliance with the values, vision, mission and strategic objectives of the organisation, ensuring its long-term success;
- ii) Establishing a culture that is positive, focused on the needs of current and future residents, other customers and other key stakeholders, and embeds equality, diversity and inclusion in the organisation;
- iii) Ensuring the organisation operates effectively, efficiently and economically;
- iv) Providing oversight, support, direction and constructive challenge to the organisation's chief executive and other executives;
- v) Appointing and, if necessary, dismissing the chief executive;
- vi) Satisfying itself as to the integrity of financial information, and setting and approving each year's budget, business plan and annual accounts prior to publication;
- vii) Establishing, overseeing and regularly reviewing a framework of delegations to committees and staff;
- viii) Establishing and overseeing control and risk management frameworks in order to safeguard the assets, compliance and reputation of the organisation; and
- ix) Holding to account the organisation's subsidiary boards, committees and senior staff for the exercise of any powers delegated to them.

Delivery of the business strategy is delegated to our Executive Leadership Team (ELT). The ELT is made up of:

- the Group Chief Executive who is responsible for leading the development and execution of our business plan and strategies, organisational capability and governance
- the Chief Financial Officer, responsible for overseeing the Group's viability including all financial matters, funding and Treasury
- the Executive Director of Corporate Services, responsible for overseeing all corporate services areas including Governance, Human Resources and Occupational Health & Safety

From April 2024, the ELT has been strengthened by the appointment of the Executive Director of Housing & Customer Service and a Chief Property Officer (who joined the business in July).

We also have a group of Operational Directors who work to deliver our business plan and objectives at an operational and functional level.

**YOUR HOUSING GROUP LIMITED
REPORT OF THE BOARD – GOVERNANCE****YEAR ENDED 31 MARCH 2024**

The Group Board Chair, Deputy Chair, Chief Executive and Chief Financial Officer predominately are also appointed as appropriate to the Group's subsidiary Boards. Additional members may also be appointed from the Executive Leadership Team or other Non-Executive Group board members to the appropriate level of oversight of the activities of these subsidiaries.

GROUP STRUCTURE

We operate a Common Board structure for our parent and two of our stock-owning entities, Your Housing Limited (YHL) and Frontis Homes Limited (FHL). Our Governance Framework determines how we are governed and sets out the relationships and delegated authorities and responsibilities between the parent and subsidiaries. The Group Board Committees also exercise oversight of the Group subsidiaries where practicable.

We regularly review our Group structure and Governance Framework to ensure it is appropriate to and reflects our operations.

THE GROUP BOARD

During the year, our Group Board continued to focus on providing effective leadership and oversight of our strategic objectives.

The Group Board was led by our new Chair, Mike Gaskell, from 1 April 2023 who succeeded Richard Groome.

During the year Derek Cash retired from the Board, having served his maximum permitted tenure of six years. David Done also resigned from the Board with effect from 30 June 2023, having served two and a half years on the Board, to focus on other board commitments.

An external Governance Review by Savills was commissioned by the Board and undertaken between August and November 2023, which included a Board skills gap analysis and review of the Board's collective effectiveness. The process was overseen by the People Committee and the findings were reviewed with the Board in November 2023. The report cited the strong progress which had been made since the Group has been downgraded to G2, that relationships and structures provided a strong foundation, and refreshed approaches and practices were working effectively. The report made some recommendations for small changes designed to support continuous improvement. These related to recruitment activity, to strengthen skills and diversity, reflection on committee structure and responsibilities, ensuring the tenant voice is heard and diversity and inclusion is championed.

In response to the recommendations, an Action Plan was developed and approved by the Group Board in March 2024, which will be overseen by the People Committee. A number of actions have been completed, particularly in regard to skills assessment, Board succession and recruitment, through the recruitment of Bhupendra Mistry, Elizabeth (Liz) Harrison and Beata Luczak to the Board as Non-Executive Directors from 1 January 2024. Their appointments reflected the skills that the Board had identified as necessary to enable its continued effective leadership and oversight through the current and future challenges identified.

YOUR HOUSING GROUP LIMITED
REPORT OF THE BOARD – GOVERNANCE

YEAR ENDED 31 MARCH 2024

Beata Luczak became our first customer Board member, having served as a member of the Board’s Customer Services Committee since April 2021. As well as bringing essential customer insight, Beata brings financial experience which she will develop through her new appointment.

Liz Harrison brings to the Board strategic business planning and customer insight and data skills gained in both the Housing and other sectors.

Bhupendra Mistry’s non-executive director experience linked to community engagement, public sector values and social change also brings a new and important dimension to the Board’s decision-making.

In light of these new appointments, the Board has recently reviewed our Board Committee membership to ensure that directors continue to be placed in Committees that best suit their skills and experience. The Board’s nominated Champions in the areas of Value for Money, Equality & Diversity, Health & Safety, Sustainability, Complaints and Safeguarding have also been reviewed, with Bhupendra and Liz being appointed as the Equality & Diversity and Complaints Champions respectively.

In addition to the annual Board skills analysis, every Board member undergoes an annual appraisal which supports their personal development. Information from the skills analysis and Board member appraisals is used to develop individual and collective Board training and development activities, including attendances at webinars and sector-related conferences.

Diversity and Inclusion

Board members are appointed according to their skills and attributes and to ensure that it is able to collectively understand and clearly take into account customer insight and consider the impact of its strategic decisions on its communities. This is also achieved through the appointment of customers representing its varied communities on the Board’s Customer Services Committee.

Members of the Board at 31 March 2024 comprised 50% women (2023 – 33.3%)

Details of the Board’s composition as at 31 March 2024 was:

<i>Gender</i>	Male – 5 Female - 5
<i>Ethnicity</i>	White – 9 Indian - 1
<i>Total</i>	10

Director biographies detailing skills and experience are available on the YHG website.

During the year the Board held six formal scheduled meetings, six strategy sessions, and 11 additional meetings as required to discuss arising matters during the year.

Attendance at Board and Strategy meetings

Mike Gaskell	100%
Darrell Mercer	66.60%
Brenda Smith	100%
Alison Cambage	91.70%
Chris MacKenzie-Grieve	100%
David Done (resigned 30 June 2023)	66.60%
Derek Cash (resigned 31 May 2023)	100%
Stuart Coe	100%
Bev Messinger	100%
Beata Luczak	100%
Liz Harrison	100%
Bhupendra Mistry	100%

BOARD REMUNERATION

Current Non-Executive Director remuneration is detailed in note 12 to the financial statements.

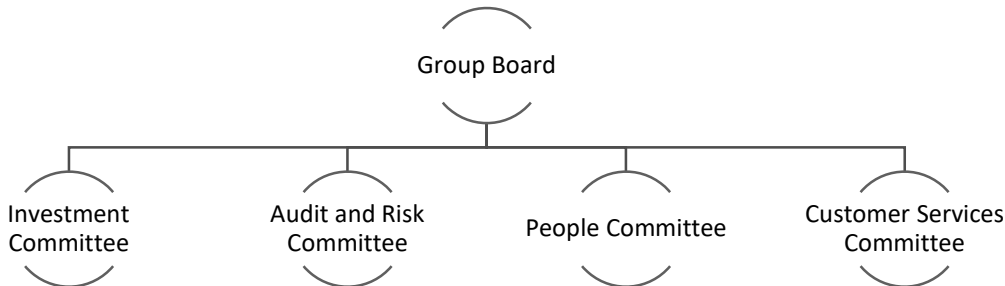
Non-Executive Director remuneration is reviewed every three years. An external review of Non-Executive Director remuneration took place during the year and the recommendations have been adopted by the Board from 1 April 2024, to ensure that the Group’s position remains competitive.

BOARD COMMITTEES

During the year we had four Board Committees overseeing our Group operations, as delegated to them by the Board in their specific Terms of Reference. The performance of our Group operations is further delegated to the ELT and Senior Managers as necessary. The Committees also oversee some of the activities of our Group subsidiaries as delegated to them by the Board.

Minutes of the meetings of the Committees are made available to all the members of the Board for their information and Committee Chairs report back at formal Board meetings.

The Board has approved the establishment of an additional Property Operations Committee from 1 April 2024, to focus on asset management and building safety.



COMMITTEE COMPOSITION (as at 31 March 2024)

Committee	Members
Investment Committee	Darrell Mercer (Chair)
	Chris MacKenzie-Grieve
	Brenda Smith
	Alison Cambage
Audit and Risk Committee	Brenda Smith (Chair)
	Stuart Coe (Deputy Chair)
	Darrell Mercer
	Chris MacKenzie-Grieve
People Committee	Bev Messinger (Chair)
	Mike Gaskell
	Brenda Smith
Customer Services Committee	Mike Gaskell (Chair)
	Bev Messinger
	Alison Cambage
	Anver Zeria
	John Morris
	Sarah Walmsley (appointed 23 May 2022)

Committee membership and Board Champion appointments are regularly reviewed and following any changes to Board membership. The Board has reviewed and updated its Committee membership from 1 April 2024. This review took into account the appointments of Bhupendra Mistry, Liz Harrison and Beata Luczak to the Board and considered the mix of skills and experience required on each committee.

COMMITTEE ACTIVITY

Investment Committee

Our Investment Committee is responsible for overseeing and providing the Group Board with assurance on the implementation of the Treasury, Asset Management, Development and Growth strategies. This includes reviewing and recommending proposals for investments, stock acquisition and divestment and large capital project approvals up to the delegated limits. The Committee functions as the Investment Committee of the registered providers in the Group: Your Housing Group Limited, Your Housing Limited and Frontis Homes Limited.

During the year the Committee had four Non-Executive members and met four times. The Executives also attend the Committee meetings to deliver reports and updates on relevant issues. The Committee is chaired by a Non-Executive Director.

Some of the matters considered by the Committee during the year were the:

-
- Approval of schemes for development in line with the Growth Strategy and recommending schemes to the Board for approval where they were in excess of the Committee’s delegated authority;
 - Review of progress against the Asset Investment Programme for the year;
 - Approval of and updates on developments, schemes and investments;
 - Regular updates on the Group’s Diverse Investments and Project Schemes to understand financial or operational risks;
 - Stock condition, including assurance on actions taken regarding damp and mould;
 - Implementation of the Group’s Treasury Strategy; and
 - Briefings on changes to the economic environment

The Committee has reviewed its activities for the year in line with its Terms of Reference and is satisfied that it has fulfilled all its functions.

Audit and Risk Committee

Our Audit and Risk Committee ensures that there is an effective system of internal control in the Group and oversees the implementation of the group risk management strategy. The Committee also oversees the appointment and activities of the internal and external auditors.

During the year the Committee consisted of four Non-Executive Directors. The Committee Terms of Reference provide that the Group Board Chair and employees of the Group are not eligible to be members of the Committee. However, the Committee meetings were attended by employees and the auditors for reports and updates on various issues. The Committee met six times during the year.

Some of the key activities of the Committee during this period include:

- Reviewing internal audit reports and management responses throughout the year presented by the Internal Auditors, PwC;
- Reviewing internal control arrangements including the Board Assurance Map;
- Receiving updates on the Group’s response to cyber risk and ICT security;
- Reviewing updates on the Finance Improvement Project;
- Approving the new FCA Consumer Duty policy;
- Approving the internal and external audit plans for the year;
- Reviewing Statutory Annual Reports and Accounts for the Group and all subsidiaries;
- Reviewing the scope and findings of the Annual Audit of the Financial Statements;
- Reviewing all whistleblowing allegations;
- Reviewing all regulatory and compliance matters;
- Reviewing Group accounting policies;
- Risk referrals in specific areas of the business to gain assurance on matters of concern to the Board and / or the Committee; and
- Review of Annual declarations of interest and the Group’s gifts and hospitality register.

The Committee has reviewed its activities during the year in line with its Terms of Reference and is satisfied that it has fulfilled its functions.

People Committee

Our People Committee reviews and makes recommendations on the remuneration of the Group Chief Executive, Non-Executive directors and the Executive Leadership Team. The Committee also provides strategic oversight of the Group's People Strategy and culture and approves the remuneration principles for all employees across the Group. The Committee is responsible for the Group and all its subsidiaries. The Committee had four Non-Executive directors as members until the resignation of David Done and continued with three members until 31 March 2024. It met five times during the period under review.

During the year, the Committee:

- Approved the process for the recruitment of new Non-Executive Directors;
- Oversaw progress in the delivery of the People Strategy, including the new Behavioural Framework, employer brand and activities to develop the Group's culture in terms of diversity and inclusion;
- Approved the appointment of external advisors to manage the annual employee engagement survey and reviewed the results and actions in response to the survey;
- Reviewed remuneration principles for all staff across the Group;
- Reviewed the outcomes of the external Collective Effectiveness Review and recommended the resulting action plan to the Group Board;
- Approved the Board Succession Plan for FY25;
- Approved the review of the composition of the Board Committees and role profile for the Vice Chair;
- Reviewed the external benchmarking review of Non-Executive Director remuneration;
- Received progress against the Group's employee Health, Safety & Wellbeing plans; and
- Approved the new Learning & Development Policy.

The Committee has reviewed its activities for the year in line with its Terms of Reference and is satisfied that it has fulfilled its functions.

Customer Services Committee

The Customer Services Committee is a key part of our Customer Engagement Framework, assessing and providing assurance to the Group Board on quality of the overall services provided to customers and overseeing Housing Management and Customer Strategies, including the Group's compliance with the Consumer Standards set by the Regulator. The Committee was responsible for the registered providers in the Group: Your Housing Group Limited, Your Housing Limited and Frontis Homes Limited.

The Committee consisted of four customer members and four non-executive directors until the resignation of David Done as a non-executive director on 30 June 2023. The Committee met five times during the year, one of which was a joint strategy meeting with the Board. The Committee meetings were also attended by the Chair of the Customer Connect Panel and employees of the

Group as required. Members of the Customer Scrutiny Panel also joined meetings to report on the outcomes of their reviews during the year.

During the year the Committee:

- Reviewed reports on all areas concerning customer experience, including customer satisfaction;
- Monitored performance targets relating to the customer experience;
- Reviewed updates on the Group’s response to Building Safety requirements and customer safety;
- Approved the Your Voice Framework – Building Safety, the strategy for engagement with customers in high-rise buildings;
- Received regular updates on Complaints performance and Housing Ombudsman cases and lessons learnt;
- Ensured compliance with the consumer standards by reviewing and approving the Group’s compliance statements and customer Annual Report;
- Commissioned reports on recommendation of the Customer Scrutiny Panel, monitoring actions arising from scrutiny reviews, including Service Charges and the Out of Hours service;
- Received updates on the delivery of actions under the Equality, Diversity and Inclusion (EDI) Strategy in regard to customers;
- Reviewed and approved new and existing operational policies.

The Committee reviewed its activities for the year in line with its Terms of Reference and is satisfied that it has fulfilled its functions.

GOVERNANCE COMPLIANCE STATEMENT

The Group’s governance structures comply with best standards and practices in corporate governance and this year are predicated on compliance with the National Housing Federation’s (NHF) Code of Governance 2020 (the Code) which it adopted from April 2021, the Group’s Rules, Governance Framework and Corporate Governance best practices.

The Board has considered the Group’s compliance with the Code as at 31 March 2024 and confirms that, throughout the year, Your Housing Group (including its registered provider subsidiaries) has applied the main principles and complied with the relevant provisions set out in the NHF Code of Corporate Governance 2020.

In support of this statement, an in-depth review of all evidence has been undertaken, including cross checking information provided and confirming relevance, together with consideration of outcomes.

In June 2022, following an In-Depth Assessment (IDA) the Regulator of Social Housing issued a regulatory judgement for the Group which maintained our G2 rating, indicating that the Group meets the Regulator’s governance requirements. In the judgement the regulator confirmed that it had assurance that the Group continues to comply with the Governance and Financial Viability Standard. The Regulator recognised improvements which have been made since our original regrade to G2 in 2020, noting the strengthening of leadership, a new corporate strategy and decision

making and allocation of resources which reflect our strategic priorities. The Regulator also noted our improved approach to asset management which supports the development and delivery of our investment plans.

The Regulator did determine, however, that we have some further work to do to strengthen risk management and internal controls, particularly within the finance function. During FY22, we had also identified errors in our Rent Setting functions and made a self-referral to the Regulator and resulted in a Regulatory Notice. This notice was removed on 28 February 2024, with the Regulator noting that the issues giving rise to the Regulatory Notice had now been resolved.

The Regulator has also maintained the Groups V2 rating which the Regulator issued as a revised regulatory judgement in December 2020. This is a compliant rating and indicates that the Regulator considers we have the financial capacity to deal with a reasonable range of adverse scenarios but that we need to manage material risks to ensure continued compliance. We recognise that the high levels of planned asset investment, including on building safety works results in a weaker financial profile in the short term, but we are confident that we have sufficient capacity to deliver our plans.

By continuing to demonstrate improvement through our business planning and positive ongoing engagement with the Regulator, we intend to ensure that we are able to return as soon as possible to a G1 rating.

REGULATORY COMPLIANCE STATEMENT

We recognise the impact that any legislative or regulatory breaches can have on the Group and its customers, and so we monitor and co-ordinate compliance activities through our Risk & Assurance team and each year assesses ourselves against the Regulator of Social Housing's Regulatory Standards. In this financial year, the regulatory standards comprise the economic standards (namely the governance and financial viability, value for money and rent standards) and the consumer standards (namely the tenant involvement and empowerment, home, tenancy and neighbourhood and community standards).

We have undertaken an annual review of compliance for FY24, including collection for the first set of Tenant Satisfaction Measures for the year 1 April 2023 to 31 March 2024. Following the assessment, the board has determined that we are fully compliant with the Regulatory Standards.

The Board is also preparing and assuring itself of the Group's delivery of the outcomes of the new Consumer Standards introduced from 1 April 2024.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We have maintained Directors' and Officers' liability insurance throughout the year and up to the date of approval of the financial statement.

YOUR HOUSING GROUP LIMITED**REPORT OF THE BOARD – STATEMENT OF INTERNAL CONTROL****YEAR ENDED 31 MARCH 2024**

Report of the Board – Statement of Internal Control

The Board acknowledges that it has overall responsibility for maintaining a sound system of internal control however recognises that no system of internal control can provide absolute assurance or eliminate all risk. Whilst the Board are ultimately responsible for these systems, they delegate its operation via the Chief Executive Officer and Executive Teams and through its Governance and Committee Framework.

Review of the System of Internal Control

The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives, strategies and expected outcomes will be achieved. It also exists to give assurance regarding the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

The Group have implemented the COSO model of internal control and undertook in the previous year a comprehensive review, which is to be followed up annually. In this current financial year, a demonstrative improvement has been noted via the findings of the Group's internal audit findings.

The internal control framework is embedded within the day-to-day management and governance processes. This approach includes the regular evaluation of the risks that the Group may be exposed to and meets the principle of the National Housing Federation's Code of Governance.

The Board has a number of mechanisms in place to support the Group's systems of internal control delegated to the Chief Executive and Executive Leadership Team, for example:

A robust and up to date policy framework. The Policy framework ensures all policies are up to date, compliant with relevant legislation and that the policy framework will respond to internal and external changes. This is further supported by framework of documented procedures that provide guidance for staff on day-to-day activities and is a key conduit for implementation of internal controls. This is further enhanced via guidance and training for staff to ensure controls are understood and can be put into practice.

Delegated Authority. The Group has management structures and delegations with clearly defined levels of responsibility and delegated authority, such as the Operating Standing Orders. Each member of the Senior and Executive Leadership Team reviews the internal control environment and management of risks in their delegated area and present a signed statement of compliance to support the preparation of the statement of internal control.

Comprehensive Risk Management framework, which has established a process for identifying, evaluating, and managing the significant risks faced by the Group which is cognisant of internal factors, in addition to the complex and challenging external landscape the sector is navigating. The Group has a well-established and refreshed risk appetite and risk tolerances in place, established by the Board which provide. In this year the Group has refreshed its risk appetite statement and policy to ensure it aligns with the internal and external environment.

YOUR HOUSING GROUP LIMITED**REPORT OF THE BOARD – STATEMENT OF INTERNAL CONTROL****YEAR ENDED 31 MARCH 2024**

Assurance Framework (Three lines of Defence). A range of assurance activity which includes management review, second line assurance and independent assurance via external partners. The assurance framework also includes management self-assessment against regulatory standards and wider compliance activities, which it reports to Board.

Performance Framework. A refreshed and comprehensive performance framework delegated to individual committees including Board that review performance of established Key Performance Indicators. This year this includes reporting of the Tenant Satisfaction Measures (TSM's).

Financial control. This is exercised through the setting of detailed budgets each year which feed into the financial planning process, coupled with a reporting and monitoring system that is driven by key performance indicators. Stress testing of significant risks is undertaken and considered as part of the business plan preparation.

Fraud Prevention and Detection. Managed via the Fraud Working Group. The Group has a zero-tolerance policy to fraud and has in place a suite of controls to monitor and detect fraud. The employee code of conduct clearly sets out employee's responsibilities and standards of conduct and a whistleblowing policy is also in place and employees are encouraged to report any wrongdoing they become aware of. All suspected frauds are investigated, recorded in the fraud register, and are presented to the Audit and Risk Committee. No significant frauds have occurred during the year.

Committee Assurance. The Audit and Risk Committee receive a quarterly reports of risk management activity both operationally and strategically in addition to internal audit reports. The Board receive bi-monthly Board Assurance Framework which highlights key areas of risk and risk indicators including the control environment. Every committee has an established performance scorecard that will manage performance of the relevant Key Performance Indicators as per their terms of reference.

Internal and External Partners. The Groups Internal Auditors (PWC) utilise a risk-based methodology to the development of an annual plan and remain independent to the operations of the Group and report directly to the Audit and Risk Committee. The Groups External Audit partners (BDO) undertake a comprehensive programme of audit consideration and testing and present their findings to the Audit and Risk Committee.

Conclusion

It should be noted that assurance can never be absolute, the statement of assurance is not a guarantee that all aspects of the internal control system are adequate and effective. It does confirm that, based on the evidence from internal audit, risk and assurance arrangements and internal control mechanisms, there are no signs of material weaknesses in the framework of control in FY24.

Your Housing Group has received a strap line judgement issued by the Regulator of Social Housing of G2 V2 and this remains a compliant position. Within the year, the Regulator of Social Housing has also removed the Regulatory Notice in respect of rents issued to Your Housing Group on 29th June 2022 as it is satisfied that the issues have been resolved.

The Board is confident that the Group will ensure that appropriate assurance is provided on compliance with all regulatory standards within the coming financial year.

YOUR HOUSING GROUP LIMITED

REPORT OF THE BOARD – STATEMENT OF INTERNAL CONTROL

YEAR ENDED 31 MARCH 2024

Report of the Board - Going Concern

The going concern of all the group entities has been reviewed and considered by the Board. Based on the long-term forecasts for each entity within the Group's business plan, and the associated headroom in covenant and liquidity requirements, all Group entities are considered to be a going concern over the period of the review, and it is proposed the accounts are prepared on the going concern basis.

Report of the Board - 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.

Independent Auditor BDO LLP has indicated its willingness to continue in office. A resolution concerning the re-appointment of external auditors will be proposed to the Board in accordance with the Association's Rules.

YOUR HOUSING GROUP LIMITED

REPORT OF THE BOARD – STATEMENT OF RESPONSIBILITIES

YEAR ENDED 31 MARCH 2024

The Report of the Board was approved and authorised by the Board on 19 September 2024 and signed on its behalf by:

DocuSigned by:
Michael Gaskell
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Michael Gaskell
Chair

Signed by:

E81A8B359FE949D...

Stuart Coe
Non-Executive Director

Signed by:

54A1EFB7405549B...

Clare Oakley
Group Company Secretary

Independent auditor's report to the members of Your Housing Group Limited**Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the 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.

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

Basis for opinion

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

Independence

We remain independent of the 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 members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

**YOUR HOUSING GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT****YEAR ENDED 31 MARCH 2024**

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of the Responsibilities of the Board for the Report and Financial Statements, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to

liquidate the Group or 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.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and the Your Housing Group Audit Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be related such as compliance with employment law and the health & safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

**YOUR HOUSING GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT****YEAR ENDED 31 MARCH 2024**

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and the Your Housing Group Audit Committee regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of journals, judgements and estimates made by management, and the income streams other than rental and service charges income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Completing substantive procedures on income recognised in income streams other than rental and service charges income to ensure that this had been appropriately included within the recognised revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the members of the Group and the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To

**YOUR HOUSING GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED 31 MARCH 2024

the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
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BDO LLP
Statutory Auditor
Manchester, UK
Date: 20 September 2024

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

YOUR HOUSING GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

Group Statement of Comprehensive Income

	Notes	2024 £'000	2023 £'000
TURNOVER	3.1	199,334	181,090
OPERATING EXPENDITURE	3.1	(184,832)	(191,501)
GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	5	3,249	4,540
MOVEMENT IN FAIR VALUE OF INVESTMENTS	18	(1,633)	5,079
TOTAL OPERATING SURPLUS/(DEFICIT)	8	<u>16,118</u>	<u>(792)</u>
Share of associates operating surplus		136	-
Interest receivable and other income	9	4,026	3,554
Interest payable and similar costs	10	(32,111)	(20,554)
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(11,831)</u>	<u>(17,792)</u>
Tax on ordinary activities	13	(349)	(197)
(DEFICIT) FOR THE FINANCIAL YEAR		<u>(12,180)</u>	<u>(17,989)</u>
Attributable to shareholders		(12,180)	(17,989)
Attributable to non-controlling interests		-	-
		<u>(12,180)</u>	<u>(17,989)</u>
OTHER COMPREHENSIVE INCOME			
Deferred taxation	13	356	(385)
Actuarial (loss) in respect of pension schemes	34	(3,784)	(2,473)
Restriction of non-recoverable pension surplus	34	747	3,010
		<u>(3,037)</u>	<u>537</u>
TOTAL COMPREHENSIVE (EXPENDITURE)		<u>(14,861)</u>	<u>(17,837)</u>

All amounts relate to continuing activities. The notes form an integral part of the financial statements.

Approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:

Michael Gaskell
Chair

Stuart Coe
Non-Executive Director

Clare Oakley
Group Company Secretary

DocuSigned by:
Michael Gaskell
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Signed by:

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Signed by:

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YOUR HOUSING GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024
Co-operative and Community Benefit Society Registration Number: 30666R

Association Statement of Comprehensive Income

	Note	2024 £'000	2023 £'000
TURNOVER	3.2	27,223	34,474
OPERATING EXPENDITURE	3.2	(29,927)	(34,518)
DONATION FROM SUBSIDIARY	7	7,104	1,344
OPERATING SURPLUS	8	<u>4,400</u>	<u>1,300</u>
Interest receivable and other income	9	139	44
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,539</u>	<u>1,344</u>
Tax on surplus on ordinary activities	13	-	-
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		<u><u>4,539</u></u>	<u><u>1,344</u></u>

All amounts relate to continuing activities. The notes form an integral part of the financial statements.

Approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:

DocuSigned by:

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Michael Gaskell
 Chair

Signed by:

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Stuart Coe
 Non-Executive Director

Signed by:

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Clare Oakley
 Group Company Secretary

YOUR HOUSING GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024
Co-operative and Community Benefit Society Registration Number: 30666R

Statement of Financial Position – Group and Association

	Note	Group		Association	
		As at 31 March 2024 £'000	Restated As at 31 March 2023 £'000	As at 31 March 2024 £'000	As at 31 March 2023 £'000
FIXED ASSETS					
Intangible fixed assets	14	3,880	4,880	-	-
Tangible fixed assets – housing properties	15	1,206,702	1,172,032	-	-
Tangible fixed assets – other	16	21,703	21,644	-	-
Investment properties	17	72,114	77,641	-	-
Investments	18	3,588	3,690	50,051	50,051
Investments in associates	18	2,724	2,724	-	-
		<u>1,310,711</u>	<u>1,282,611</u>	<u>50,051</u>	<u>50,051</u>
CURRENT ASSETS					
Inventories	19	67,383	44,026	-	-
Debtors falling due in less than one year	20	36,944	40,338	1,429	3,706
Debtors falling due after more than one year	20	48,884	46,449	-	-
Cash and cash equivalents	21	79,821	69,850	6,571	2,888
		<u>233,032</u>	<u>200,663</u>	<u>8,000</u>	<u>6,594</u>
CREDITORS: amounts falling due within one year	22	<u>(79,651)</u>	<u>(75,944)</u>	<u>(4,648)</u>	<u>(7,781)</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>153,381</u>	<u>124,719</u>	<u>3,352</u>	<u>(1,187)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,464,092</u>	<u>1,407,330</u>	<u>53,403</u>	<u>48,864</u>
CREDITORS: amounts falling due after more than one year	23	(1,141,541)	(1,061,981)	-	-
PROVISIONS FOR LIABILITIES	28	(40,547)	(48,294)	-	-
PENSION LIABILITY	34	(15,214)	(15,404)	-	-
TOTAL NET ASSETS		<u>266,790</u>	<u>281,651</u>	<u>53,403</u>	<u>48,864</u>

YOUR HOUSING GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024
Co-operative and Community Benefit Society Registration Number: 30666R

	Group		Association	
	As at 31 March 2024	Restated As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
	£'000	£'000	£'000	£'000
CAPITAL AND RESERVES				
Share capital	30	-	-	-
Revaluation reserve	17,379	18,965	-	-
Revenue reserve	249,411	262,686	53,403	48,864
GROUP'S/ASSOCIATION'S FUNDS	<u>266,790</u>	<u>281,651</u>	<u>53,403</u>	<u>48,864</u>

The notes form an integral part of the financial statements.

These financial statements were approved and authorised for issue by the Board on 19 September 2024 and signed on its behalf by:

DocuSigned by:

 B143245407DD445...
Michael Gaskell
 Chair

Signed by:

 E81A8B359FE949D...
Stuart Coe
 Non-Executive Director

Signed by:

 54A1EFB7405549B...
Clare Oakley
 Group Company Secretary

YOUR HOUSING GROUP
GROUP STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

Group Statement of Changes in Reserves


	Revaluation reserve	Income and expenditure reserve	Total
	£'000	£'000	£'000
as at 1 April 2022 (previously reported)	14,004	289,338	303,342
Restatement (note 2)	-	(3,854)	(3,854)
as at 1 April 2022 (restated)	14,004	285,484	299,488
(Deficit) for the year (previously reported)	-	(18,146)	(18,146)
Restatement (note 2)	-	(228)	(228)
(Deficit) for the year (as restated)	-	(18,374)	(18,374)
Other comprehensive income	-	537	537
Total Comprehensive expenditure for the year	-	(17,837)	(17,837)
Transfers	4,961	(4,961)	-
as at 31 March 2023	18,965	262,686	281,651
Deficit for the year	-	(12,180)	(12,180)
Other comprehensive expenditure	-	(2,681)	(2,681)
Total Comprehensive expenditure for the year	-	(14,861)	(14,861)
Transfers	(1,586)	1,586	-
as at 31 March 2024	17,379	249,411	266,790

**YOUR HOUSING GROUP
ASSOCIATION STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2024**

Association Statement of Changes in Reserves

	Revenue reserves £'000
Balance as at 31 March 2023	47,520
Surplus for the year	1,344
Balance as at 31 March 2023	<u>48,864</u>
Surplus for the year	4,539
Balance as at 31 March 2024	<u>53,403</u>

The notes form an integral part of the financial statements.

DocuSigned by:

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Michael Gaskell
Chair

Signed by:

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Stuart Coe
Non-Executive Director

Signed by:

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Clare Oakley
Group Company Secretary

YOUR HOUSING GROUP LIMITED
GROUP STATEMENT OF CASH FLOWS
For the YEAR ENDED 31 MARCH 2024

Group Statement of Cash Flows

	Notes	2024 £'000	2023 £'000
Net cash generated from operating activities	32	<u>59,030</u>	<u>35,418</u>
Cash flow from investing activities			
Purchase of housing properties		(102,169)	(64,772)
Purchase of other fixed assets		(3,222)	(5,402)
Purchase of intangible assets		(815)	(1,652)
Grants received		4,970	2,477
Purchase of investment properties		(2,940)	(171)
Proceeds from the sale of tangible fixed assets & investment properties		8,141	8,631
Dividends received from associates		136	121
Interest received		1,331	851
		<u>(94,568)</u>	<u>(59,917)</u>
Cash flow from financing activities			
Interest paid		(32,876)	(22,831)
Loan drawdowns		101,000	90,000
Loan repayments		(23,227)	(48,218)
Other		(91)	-
Tax paid		-	(746)
		<u>44,806</u>	<u>18,205</u>
Net change in cash and cash equivalents		9,971	(6,294)
Cash and cash equivalents at the beginning of the year		69,850	76,144
Cash and cash equivalents at the end of the year		<u>79,821</u>	<u>69,850</u>

The notes form an integral part of the financial statements.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Notes to the Financial Statements

1. LEGAL STATUS

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider. The registered office address is Youggle House, 130 Birchwood Boulevard, Birchwood, Warrington, WA3 7QH.

The principal activity includes the provision of affordable homes to rent, homes for sale, sheltered and supported accommodation for older people, and hostels and foyer accredited schemes which support vulnerable people.

The Group includes several smaller entities which help to support principal activities. These include development companies which are registered companies. The Group also includes a limited liability partnership which provides non-social housing for rental and a limited company which provides management and maintenance services of extra care housing facilities under a PFI contract. Further details can be found in note 33.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The functional and presentational currency is Sterling (£). The Association is a Public Benefit Entity.

The parent Association has applied the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments
 - exposure to and management of financial risks
- the practical expedient under Section 11.20 to account for changes required by interest rate benchmark reform.

Going concern

The Group has a long-term 30-year business plan based on robust assumptions which reflect the current operating environment of the business and the delivery of the Corporate Plan and associated strategies. Bank covenants have been met in all plans and forecasts, with performance delivering headroom against the Board approved golden rules throughout the life of the plan.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Similarly, the Group liquidity position is strong, with facilities available to support Group cashflows through to a large refinancing point in FY28 within Your Housing Limited (YHL).

The Group plan has been stress tested in line with the Group's key risks to quantify the impact on loan covenants and security position for the externally funded entities within the Group, and has assessed the liquidity impact of the scenarios for the non-funded entities. Board have agreed on appropriate mitigating actions where remedial action is required, demonstrating long-term viability under times of financial stress. The only stress tests requiring any remedial action during the period of the going concern review were multivariate scenarios within YHL. All of which can be fully mitigated with Board approved actions, hence no breaches remained during the period of going concern assessment.

The business plans and long-term debt facilities demonstrate that the Group has adequate resources to provide the finance required to support committed reinvestment, committed development programmes, loan repayments, along with the Group's day-to-day operations. The Group's liquidity cover within the FY25 financial plan demonstrated liquidity cover of over £80m in excess of the next 24-month group net cash requirements. This supports the Group cashflows through to a July 2027 refinancing point within YHL.

On this basis, the Board has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

The following are the management judgements and estimates made in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Judgements

- **Categorisation of housing properties** – In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. There may be tenure types where it will be a matter of judgement whether they should be categorised as investment property or housing property. In such circumstances, the association will consider whether the property is operating at below market rent for the wider benefit of the community and whether the association is subsidising the properties and operating them at a loss in order to continue providing a service.

The classification of the Group's properties is a significant judgement which directly impacts the statutory net asset position, as housing properties are held at the lower of cost and net realisable value, whilst investment properties are held at fair value, with gains or losses taken through the consolidated income statement.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Significant judgements and estimates (continued)

The Group continually reviews properties for changes in use that could subsequently change the classification of properties. A change in use occurs if property meets, or ceases to meet, the definition of investment property which is more than a change in management's intentions.

The fact patterns associated with changes in the way in which properties are utilised are considered on a case-by-case basis and to the extent that a change in use is established, property reclassifications are reflected appropriately.

- **Impairment** – An impairment review is performed at least once per year. Each business area uses judgement to identify where impairment triggers, if any, exist. Where impairment triggers are found, such as high level of void properties or a slowdown in shared-ownership sales, a full impairment assessment takes place. If the carrying amount of the cash generating unit is higher than its recoverable value, an impairment charge is recorded. Management judgement is applied in determining the recoverable value and therefore the impairment charge. The impairment charge for the year was £5,532 and release for the year was £nil(2023: charge of £251,000 and release of £4,000) and is disclosed in note 15.
- **Finance debtor and services concession** – The Group makes judgements on the recoverability of the Finance Debtor, based on the receipt of unitary fee in accordance with the contractual payment mechanism contained in the project agreement. The PFI finance debtor is disclosed in note 20. The finance debtor due less than one year is £1,133,000 (2023: £1,133,000), due after more than one year is £46,352,000 (2023: £45,214,000).
- **Provisions** – Management judgement is applied in determining the likelihood of the Group being required to settle present obligations and in estimating the consideration required. The group makes assumptions to determine the timing and its best estimate of the number of its liabilities for which provisions are held.

The Group continually reviews at each reporting date the identified risks that it is aware of to ensure that the amount of the provision remains appropriate. The Group also continually reviews its utilisation of the provision, releasing it in line with the expenditure, which was provided for, or adjusting as necessary in line with the remaining obligation at the reporting date.

Provisions are disclosed in note 28 and were £40,547,000 in total as at 31 March 2024 (2023: £48,294,000). Following the fire at Beechmere, a provision has been made for rebuild costs which cannot be avoided due to the terms of the PFI Agreement. Provision has also been carried forward for fire safety works at the other buildings which relates mostly to retentions. Neither the rebuild nor fire safety works are eligible for capitalisation as they relate to PFI assets.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Significant judgements and estimates (continued)

Estimates

- **Provisions** – Management have estimated the cost of rebuilding Beechmere and completing the fire safety works on the other 4 Meres to establish the provision required. The estimate is based on detailed and up to date quotes from the Group’s appointed contractor but the actual cost could increase significantly in the future due to external factors such as rising raw material and labour costs. A 10% increase in the cost of the rebuild and fire safety works would increase the provision required by £3,898,721.
- **Fair value of investment properties** – At the reporting date, the Group holds £72,114,000 of residential investment properties, of which £67,464,000 relates to market rent properties valued by Jones Lang LaSalle (JLL). Valuations have been prepared on the basis of Market Value subject to the existing Tenancies (MV-T).

Each scheme has been valued individually in order to reflect the different risks and opportunities associated with each, with specific reference to stock condition survey data and a 30-year planned maintenance programme. The following assumptions have been used:

Discount rate (income)	7.5% - 8.25%
Exit Yield	6.0% - 6.50%
Annual rental growth (nominal)	5.0% (Yr 1), 4.5% (Yr 2), 4.0% (Yrs 3 and 4), 3.5% (Yr 5+)
Stamp Duty Land Tax	At the prevailing rate

The most sensitive of these assumptions is the discount rate. An increase in the discount rate of 1% would reduce the valuation of the market rent properties by £1,722,500 or approximately 2.4%.

- **Defined Benefit Obligations (DBO)** – Management’s estimate of the DBO is based on several critical underlying assumptions such as rates of inflation, mortality, discount rate and future salary increases. Variations in these assumptions may significantly impact the DBO amount and the annual defined benefit expense. The assumptions used to calculate the total liability are disclosed in note 34.

The sensitivity of the liabilities in the Scheme to each significant actuarial assumption is summarised in the following table, showing the impact on the defined benefit obligation if each assumption is altered by the amount specified in isolation, whilst assuming that all other variables remain the same. In practice, this approach is not necessarily realistic since some assumptions are related. This sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability, the measurement of which depends on a number of factors including the fair value of plan assets.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Significant judgements and estimates (continued)

Note: as these are changes in actuarial assumptions, almost all of the in-year impact of any change would be included in other comprehensive income.

	Change in assumption	Change in liabilities
Discount rate	Increase of 0.1% p.a.	Decrease by 1.5%
Rate of inflation	Increase of 0.1% p.a.	Increase by 1.5%
Rate of salary growth	Increase of 0.1% p.a.	Increase by 0.0%
Rate of mortality	Probability of surviving each year increased by 10%	Increase by 1.6%

Basis of consolidation

The Group financial statements consolidate the financial statements of the Association and all of its subsidiaries at 31 March 2024 using the purchase method.

The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Where the Group has control but does not own 100% of a subsidiary, the entire results for the year are included in the Group financial statements and the non-controlling interests are shown in the Statement of Financial Position.

All intra-group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities, and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Where the cost of the business combination exceeds the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired, negative goodwill arises. The Group, after consideration of the assets, liabilities and contingent liabilities acquired and the cost of the combination, recognises negative goodwill on the balance sheet and releases this to profit and loss, up to the fair values of non-monetary assets acquired, over the periods in which the non-monetary assets are recovered and any excess over the fair value of non-monetary assets in the income statement over the period expected to benefit.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be the life of the PFI which is 30 years. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the income statement.

Associates

Undertakings that are not subsidiaries but where the Group has significant influence are classified as associates (i.e. the power to participate in the financial and operating policy decisions) and are accounted using the equity method of accounting, accounting for the Group's share of assets and liabilities.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale, management services revenue, service charges receivable, PFI Income and government grants received or amortised. Turnover is accounted for at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Management services revenue is recognised monthly in accordance with the management agreements.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Rental income is recognised on a straight-line basis in accordance with the tenancy agreement.

Service charge income is recognised in the period to which it relates, based on the charges set for the tenant, net of any voids and adjusted for any surpluses or deficits at the year end.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Turnover and revenue recognition (continued)

PFI income is recognised in respect of the services provided as contractual obligations are fulfilled in respect of those services and in line with the fair value of the consideration receivable.

Major maintenance costs are recognised on an incurred basis and any revenue receivable in respect of these services is recognised when the services are performed.

Employee Benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Termination benefits are incurred in the period that detailed formal restructuring plans are communicated to those affected by it.

Donations from subsidiaries

The Association receives gift aid from other group entities. All donations from subsidiaries are cash transfers and recognised on receipt. See note 7 for further detail.

Interest receivable and payable

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy below.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Other interest payable is charged to the Statement of Comprehensive Income in the year using the effective interest method.

Capitalised Interest

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

- a) Interest on borrowing specifically financing the development programme after deduction of related grants in advance; or
- b) A fair amount of interest on borrowings of the Association as a whole after deduction of Government Grant received in advance to the extent that they can be deemed to be financing the development programme.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting period using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income and expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- The Group can control the reversal of the timing difference, and
- It is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax relating to investment property that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset, except for investment property that has a limited useful life and is held in a business model whose objective is to consume substantially all the economic benefits embodied in the property over time.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and liabilities are only off set where there is a legal right to do so.

Movements in actuarial assumptions can lead to the recognition of gains and losses in respect to the impact of these assumptions on pension liabilities and assets. These movements are non-cash movements and as such can create timing differences in respect of tax which would be reflected through deferred tax assets and liabilities.

VAT

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and is not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Housing properties

Housing properties are assets for rent held to provide social housing or other social benefit. Values are at cost less accumulated depreciation and impairment losses. Costs include acquisition, development and interest incurred during development.

Costs of shared ownership properties are apportioned based on the percentage of the expected first tranche sales. The part expected to be sold in the first tranche is recognised as a current asset and the remaining share is recognised as a fixed asset within housing properties.

Housing properties are divided into separate components. Components are replaced at the end of their useful life. On replacement, the cost of the new component is recognised; the cost of the old component is derecognised. Any work that increases net rental income, reduces repair costs or extends the life of the asset is capitalised as improvements.

Capitalisation of property development costs

Land remediation, construction contracts and staff costs are capitalised once development begins. Costs are measured using the allocation of costs estimate detailed above. Capitalisation ceases when the asset come into use. The budgeted costs approved by Board during the appraisal process are monitored throughout development. If a development is aborted, its costs are written off to income and expenditure.

Capitalisation of interest

Interest is capitalised while developments are in progress based on the weighted average cost of capital and the total capital employed less any grant received in relation to the underlying asset base.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration is paid as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

Investment properties

Investment properties include commercial and residential properties held for rental income at market rates, capital appreciation, or both. Initial recognition is at cost with revaluation through profit or loss at each reporting date. Movements in fair value are recognised in the Statement of Comprehensive Income.

Annual revaluations are external valuations as determined by the Investment Property Revaluation Policy. Valuations will be in line with current methods and assumptions as given in the RICS Valuation Global Standards (the "Red Book").

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

Accurate valuation of investment properties in development is not possible. Cumulative cost is used during development with revaluation at the first reporting date after completion.

Investment in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost less impairment in the individual financial statements.

Impairment of investment in subsidiaries

The Association has investments in subsidiaries specialising in investment properties and properties under construction. The investment properties owned by the subsidiaries are revalued annually by an expert in line with the Investment Property Revaluation Policy. Valuations are in line with current methods and assumptions as given in the RICS Valuation Global Standards.

If the investment properties or properties under construction are devalued, management will consider the requirement of an impairment to the investment.

Shared equity investment

The Group has a number of historic equity loans granted to assist home buyers. Loans are secured and have an interest free period, after which monthly interest is due. Loans are settled on sale of the property or earlier at the borrower's choice. Repayment of the capital is based on the percentage of the current market value of the property.

Inventories - repairs stock

Repairs stock consists of materials for the repair and maintenance of properties. Stock is valued at the lower of cost or estimated selling price less costs to complete.

Bad debts

The bad debt policy is in line with the debt collection policy. The debt collection policy considers the length of time the invoice has been overdue or whether it is being disputed, the financial viability of the debtor, if there has been a default on a payment plan or if there are ongoing settlement discussions as management judge this as indication of recoverability.

Tenant Arrears are provided for in accordance with the stage in the collection process:

Age of Arrear	Collection Stage	Provision Value
2–3 months	Early Intervention	10%
4–6 months	Notice Seeking Possession	25%
7–9 months	Litigation	50%
>9 months	Enforcement	100%

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Bad debts (continued)

Non-tenant debt is provided for on an individual basis, with debts being assessed monthly to determine if there any known factors which would call into question the recoverability of the debt. The non-tenant bad debt provision is £59,000 (FY23 £77,000).

Allocation of Costs

Group overhead costs are recharged to subsidiary entities and tenure types based on unit numbers. Where the Association has a mixed tenure, during construction, costs of assets under construction are allocated between the different tenure types based on unit numbers, and on completion, based on square footage of each property.

Government grants taken to income

Government grants include those received from Homes England, local authorities and other government bodies.

Grants relating to revenue are recognised in income over the same period as the related expenditure once reasonable assurance has been gained that the entity will comply with the grant conditions and the funds will be received. Grants received in advance are recognised in current liabilities.

Government grants amortised

Government grants include those received from Homes England, local authorities and other government bodies.

Grants relating to housing properties are recognised under the accruals model over the useful life of the property structure, being 100 years. By agreement with Homes England, grants received for housing properties are subordinated to the repayment of loans. Grants released on disposal of properties are repayable but are normally available to be recycled through the Recycled Capital Grant Fund. Recycled grants are recognised as a creditor in the Statement of Financial Position.

If there is no requirement to recycle or repay grants on disposal of assets, any unamortised grant remaining is recognised as income in the Statement of Comprehensive Income.

The value of government grants and amortisation in the year are disclosed in note 27.

Other grants

Other grants are recognised under the performance model. A grant without specific future performance conditions is recognised as revenue when the grant proceeds are received or due. A grant with specific future performance conditions is recognised when these conditions are met. Until such conditions are met, the grant is recognised as a liability.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation of housing properties

Housing property components are held separately and depreciated on a straight-line basis to reduce the cost of each component over its useful economic life.

The useful economic lives of each component are:

Structure	100 years
Structure – modular homes	60 years
Roofs	60 years
Energy Efficiency	50 years
Central Heating	40 years
Kitchens	30 years
Bathrooms	30 years
Electrical Systems	30 years
Doors	30 years
Windows	30 years
Loft Insulation	30 years
Compartmentalisation (Fire Safety)	30 years
Fire Doors (Fire Safety)	30 years
Air Source Heat Pumps	20 years
Solar PV Panels	20 years
Renewable technology	20 years
Landscaping, Driveways and Fencing	20 years
Hard Wired Fire Alarms / Smoke Detectors	20 years
Boilers	15 years
Aids and adaptations	5 years

Freehold land is not depreciated.

Leasehold properties are depreciated over the shorter of the life of the lease or their estimated useful economic lives in the business.

Impairment

Housing properties are reviewed at least once per year to identify impairment triggers. Where impairment triggers are found, a full impairment assessment takes place. If the carrying amount of the cash generating unit is higher than its recoverable value, an impairment charge is recognised in operating expenditure. Where properties are not deemed to provide their service potential, the recoverable amount is its fair value less costs to sell.

For all other assets, the approach to impairment is to consider the future economic value of capitalised project spend.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Other tangible fixed assets

Other tangible fixed assets are recognised at cost less accumulated depreciation and impairment losses. Assets are held separately and depreciated on a straight-line basis to reduce the cost of each asset over its useful economic life.

The useful economic lives of other assets are:

Freehold office buildings	40 years
Leasehold property	Lower of life of lease or 40 years
Communal assets	10 - 30 years
Garages	25 years
Furniture, fixtures, fittings & office equipment	5 years
Mobile technology	2 years
Computer hardware and telephony equipment	4 years
Motor vehicles	4 years

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and impairment losses. Assets are held separately and amortised on a straight-line basis to reduce the cost of each asset over its useful economic life.

The useful economic lives of intangible assets are:

Computer software	5 years
Goodwill	30 years being the life of the PFI to which it relates

Leased assets

Finance leases are recorded where substantially all the risks and rewards of ownership are transferred to the Group. All others are recorded as operating leases.

Assets held under finance leases are recognised at the lower of its fair value or the present value of the minimum lease payments as at the lease inception. The finance lease obligation is recognised as a liability in the statement of financial position. Lease payments are split between finance charges and a reduction of the lease obligation using the effective interest method to achieve a constant rate of interest on the remaining liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are held in tangible fixed assets and depreciated and assessed for impairment in the same way as owned assets.

Operating lease payments are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Lease incentives are recognised as a reduction to the lease expense over the lease term on a straight-line basis.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Properties for sale

The first tranche of shared ownership properties and properties developed for outright sale (including those in development) are held at the lower of cost and net realisable value. Cost includes construction costs, development staff, direct development overheads and capitalised development interest. Net realisable value is based on an estimated sales price after allowing for costs of completion and disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Group is obligated to keep a separate cash reserve for Avantage (Cheshire) Limited, in respect of future major maintenance costs. This restricted cash balance amounts to £1,459,000 (2023: £1,432,000). Similarly, Avantage (Cheshire) Limited hold a restricted cash balance comprising of ringfenced insurance cash of £769,000 as at 31 March 2024 (2023: £2,095,000). Both sums are shown in the Group balance sheet within the "cash at bank and in hand" balance.

Debtors and creditors

Short term debtors and creditors are measured at transaction price. Debtors are shown less any impairment. Where deferral of payment terms has been agreed below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Sinking Fund income is collected through service charges and leaseholder property sales, moved to the Sinking Funds creditor account and released when the corresponding expenditure is incurred.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Finance debtor and services income

A subsidiary within the Group is an operator of a Private Finance Initiative (PFI) contract, which was entered into prior to transition to FRS 102. Therefore, the accounting has been continued using the accounting policies applied prior to the date of transition to FRS 102 as follows. The underlying asset was not deemed to be an asset of the Company under section 35 of FRS 102 because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Local Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase unitary charge receipts are included within turnover, finance debtor and interest receivable.

Finance debtor and contractual receivables are classified as loans and receivables as defined in FRS 102. As they meet the conditions of a basic financial instrument under Section 11.9 of FRS 102. They are initially recognised at the fair value of the consideration receivable under the contract and are then stated at amortised cost.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Finance debtor and services income (continued)

The subsidiary recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services. Major maintenance costs are recognised on an incurred basis and the revenue receivable in respect of these services is recognised when the services are performed.

Insurance debtor

A reimbursement asset has been recognised in relation to insurance recoveries following a fire at an extra care scheme of which a rebuild provision has been recognised to reinstate the destroyed asset. An insurance recovery asset has been recognised based on the existence of a valid insurance policy that includes cover for the incident and a claim is expected to be settled by the insurer.

Financial instruments – debt

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS102 are accounted for under an amortised cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique. For non-basic financial instruments FRS102 section 12 has been applied.

All non-basic financial instruments relate to interest rate swaps.

Loan issue costs

Costs incurred on the issue of loan finance are initially recorded as a deduction from the gross proceeds of the loan and included in creditors greater than one year. The costs are then subsequently amortised to the Statement of Comprehensive Income over the term of the loans.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the presentation obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding it.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at its present value, using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive income, in the period it arises.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Pension costs

The Group participates in one multi employee defined benefit schemes the Social Housing Pension Scheme (SHPS) and a defined benefit scheme: The Arena Group Pension Scheme.

The SHPS scheme applies defined benefit accounting. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to note 34 for more details.

As at the year ended 31 March 2024, the net defined benefit pension deficit liability was £15,152,000 (2023: £15,342,000).

A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability. Current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases vest. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income. The Group is no longer an active member of the scheme.

For the Arena Group Pension Scheme, the scheme is closed to future accrual. The pension scheme assets and liabilities are valued using the same methodology as the Staffordshire County Council Pension Fund, recognising the fair value of the pension scheme assets and the liabilities using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. The pension scheme surplus is only recognised to the extent that the Group can recover the surplus through ownership of the asset returns.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Net interest costs are calculated by applying the discount rate to the net defined benefit liability and are recognised in the Statement of Comprehensive Income as a finance cost. Re-measurements are reported in other comprehensive income.

As at the year ended 31 March 2024, the net defined benefit pension surplus was £1,896,000 (2023: £2,522,000). Defined benefit pension scheme surpluses are limited to the extent they are considered recoverable either through reduced contributions or agreed refunds from the scheme. Neither are applicable and therefore the surplus is restricted to nil.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

Pension costs (continued)

For the defined contribution arrangements, the amount charged to the Statement of Comprehensive Income in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Guaranteed Minimum Pension is a portion of pension that was accrued by individuals who were contracted out of the Stated Second Pension prior to 6 April 1999. The rate at which GMP was accrued, and the date it is payable, is different for men and women, meaning there is inequality for male and female members who have GMP. The liability was first included in the accounts for the year ended 31 March 2020, any change in the allowance to 31 March 2024 has been taken to the Statement of Comprehensive Income.

In October 2022 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability in public service schemes nor indicated in the liability. For all three of the Group's pensions schemes, the actuaries have confirmed that at present there is no methodology to calculate what the potential liability will be. Therefore, this has not been factored into the year-end liability.

Reserves

The revenue reserves are unrestricted and available for use within the Group's activities. The revaluation reserve is the difference between fair value and historic costs for the affected assets.

Comparatives and restatement of prior year financial statements

The Group has reclassified the sinking fund balances, previously included in short-term creditors, to long-term creditors. These balances were £6,002k as at 31 March 2023, and £5,128k as at 31 March 2022.

Reclassification from other fixed assets to housing properties

The group has reclassified other fixed assets costs and depreciation amounting to £964k and £112k, respectively, to the category of Housing Properties.

Depreciation start date for Keyworker schemes

The Group incorrectly determined the commencement date for depreciation of components for the Airedale and Arrowe Park Keyworker schemes. Both schemes were handed over in the financial year 2004/05 and are subject to 40-year leases. Depreciation of components for these schemes was initiated in the financial year 2010, coinciding with the implementation of component accounting. This decision was aligned with the project appraisal models employed for both developments.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation start date for Keyworker schemes (continued)

As a result the Group has restated the comparative financial statements to accurately reflect the depreciation charges for these Keyworker schemes from the handover date in 2004/05.

	Previously reported £'000	Restatement Adjustment £'000	Restated £'000
2023			
Tangible fixed assets	1,197,758	(4,082)	1,193,676
Operating expenditure	(191,273)	(228)	(191,501)
Revenue reserves	266,768	(4,082)	262,686
2022			
Tangible fixed assets	1,155,494	(3,854)	1,151,640
Operating expenditure	(153,111)	(3,854)	(156,965)
Revenue reserves	289,338	(3,854)	285,484

Sinking fund reclassification

The Group has reclassified the sinking fund balances, previously included in short-term creditors, to long-term creditors. These balances were £6k as at 31 March 2023, and £5k as at 31 March 2022.

Reclassification from other fixed assets to housing properties

The Group has reclassified other fixed assets costs and depreciation amounting to £28,365k and £5,426k, respectively, to the category of Housing Properties.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3.1 TURNOVER, OPERATING EXPENDITURE AND OPERATING RESULT – GROUP

	2024			2023		
	Turnover £'000	Operating Expenditure £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
Social housing lettings (note 4.1)	165,119	(153,814)	11,305	146,799	(145,258)	1,541
Other social housing activities						
Shared ownership first tranche sales	25,495	(20,425)	5,070	24,565	(20,072)	4,493
Outright property sales	144	(103)	41	478	(349)	129
Supporting People contract income	1,956	(1,805)	151	2,032	(1,697)	335
Neighbourhood regeneration	45	(1,121)	(1,076)	45	(1,018)	(973)
Development costs not capitalised	-	(162)	(162)	-	(45)	(45)
Management services	1,525	(22)	1,503	1,567	(19,273)	(17,706)
Other	-	1,500	1,500	122	(700)	(578)
	<u>29,165</u>	<u>(22,138)</u>	<u>7,027</u>	<u>28,809</u>	<u>(43,154)</u>	<u>(14,345)</u>
Non-social housing activities						
Lettings (note 4.2)	5,050	(3,567)	1,484	5,482	(3,089)	2,393
Non Social – Other*	-	(5,313)	(5,313)	-	-	-
	<u>5,050</u>	<u>(8,880)</u>	<u>(3,830)</u>	<u>5,482</u>	<u>(3,089)</u>	<u>2,393</u>
	<u>199,334</u>	<u>184,832</u>	<u>14,502</u>	<u>181,090</u>	<u>(191,501)</u>	<u>(10,411)</u>

*Other non-social activities relates to the impairment of leaseholder buyback (£5.3m)

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3.1 TURNOVER, OPERATING EXPENDITURE AND OPERATING RESULT – GROUP (continued)

Operating surplus / (deficit) analysed:	2024 £'000	2023 £'000
Lettings	7,475	4,162
Shared ownership first tranche sales	5,070	4,493
Management services	(617)	(17,706)
Sale of properties	41	129
Other	2,533	(1,489)
	<u>14,502</u>	<u>(10,411)</u>

3.2 TURNOVER, OPERATING EXPENDITURE AND OPERATING RESULT – ASSOCIATION

	Turnover £'000	Operating expenditure £'000	2024 Operating deficit £'000	Turnover £'000	Operating expenditure £'000	2023 Operating deficit £'000
Other income and expenditure						
Management services to group undertakings	<u>27,223</u>	<u>(29,927)</u>	<u>(2,704)</u>	<u>34,474</u>	<u>(34,518)</u>	<u>(44)</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4.1 INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP

	General Housing	Supported housing & housing for older people	Low Cost Home Ownership	Care Homes	Key Worker	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from social housing lettings								
Rent receivable net of identifiable service charges	95,970	19,728	5,416	467	4,052	193	125,826	114,691
Service charges receivable	5,153	16,193	4,901	1,143	351	296	28,037	21,189
Charges for support services	15	87	22	-	-	-	124	160
Facility fee	-	-	-	-	470	-	470	431
Government grant amortised	3,311	1,069	471	79	-	1	4,931	4,774
Other Government Grant								
Cheshire PFI	-	-	-	-	-	-	-	-
Other income	988	4,066	58	130	10	479	5,731	5,554
	<u>105,437</u>	<u>41,143</u>	<u>10,868</u>	<u>1,819</u>	<u>4,883</u>	<u>969</u>	<u>165,119</u>	<u>146,799</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4.1 INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP (CONTINUED)

	General Housing £'000	Supported housing & housing for older people £'000	Low Cost Home ownership £'000	Care Homes £'000	Key Worker £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Expenditure on social housing letting activities								
Management	(29,803)	(10,003)	(2,560)	(192)	(1,028)	(7,161)	(50,747)	(60,371)
Routine maintenance	(21,796)	(2,513)	(240)	(81)	(73)	23	(24,680)	(21,003)
Planned maintenance	(8,853)	(9,613)	(1,607)	(266)	(552)	(200)	(21,091)	(14,878)
Major repairs expenditure	(497)	(1,676)	(5)	(1)	-	(6)	(2,185)	(3,109)
Service charge costs	(6,318)	(19,919)	(839)	(725)	(1,797)	(216)	(29,814)	(21,859)
Cost of support services	(6)	(812)	(24)	(5)	-	(5)	(852)	(728)
Rent losses from bad debts	1	182	391	94	(27)	114	755	(741)
Housing property depreciation	(13,983)	(4,045)	(940)	(618)	(723)	(669)	(20,978)	(18,956)
Ground rent	(696)	(3)	(10)	-	-	(3)	(712)	(657)
Impairment (note 15)	(219)	-	-	-	-	-	(219)	(251)
Payment to SPV	-	(2,101)	(1,190)	-	-	-	(3,291)	(2,705)
Total expenditure on social housing lettings	(82,170)	(50,503)	(7,024)	(1,794)	(4,200)	(8,123)	(153,814)	(145,258)
Operating surplus on social housing lettings	23,267	(6,796)	3,844	25	683	(7,154)	11,305	1,541
Void losses	(2,074)	(1,894)	(124)	(126)	(225)	(152)	(4,595)	(4,407)
Payment to SPV relates to payments to Sapphire Extra Care Limited for care services.								

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4.2 PARTICULARS OF TURNOVER FROM NON-SOCIAL HOUSING LETTINGS – GROUP

	2024	2023
	£'000	£'000
Full market rent	3,719	4,242
Intermediate market rent	732	655
Other	599	585
	<u>5,050</u>	<u>5,482</u>

5. GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Group	2024	2023
	£'000	£'000
Proceeds of sales	8,256	8,874
Cost of sales	(5,007)	(4,334)
Surplus for year	<u>3,249</u>	<u>4,540</u>

The above surplus can be analysed as follows:

	2024	2023
	£'000	£'000
Staircasing	1,925	2,561
Right to buy	148	251
Right to acquire	173	1,518
Housing property sales to other RPs	-	-
Other housing property disposals	910	50
Other disposals	93	160
	<u>3,249</u>	<u>4,540</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. ACCOMMODATION IN MANAGEMENT – GROUP

The number of units in management at 31 March for each class of accommodation is as follows:

	2024	2023
	No.	No.
General needs	18,966	18,964
Housing for older people	3,342	3,384
Supported housing	795	806
Care homes	111	115
Key worker	508	635
Intermediate market rented	216	131
Low-cost home ownership	2,173	1,992
Accommodation managed on behalf of other associations	472	496
	<hr/>	<hr/>
Total Social Housing accommodation	26,583	26,523
Market rented	660	417
Leaseholders	1,416	1,501
Managed non social	801	880
	<hr/>	<hr/>
Total owned and managed	29,460	29,321
Accommodation in development at year end	961	1,321

Property numbers for the year ended 31 March 2024 meet the Statistical Data Return definition of accommodation in management as far as is possible to be consistent with the accounting required under the Accounting Direction 2022.

Overall, there was an increase of 460 new properties that were developed in the year: 152 general needs, 244 low-cost home ownership, 62 rent to buy and 2 commercial rent. The Group made some disposals within the Keyworker portfolio alongside routine disposals and staircasing.

The Association does not own any properties.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. DONATIONS FROM SUBSIDIARY

The Association received the following amounts as donations from its subsidiaries:

	2024	2023
	£'000	£'000
Frontis Limited	1,500	1,000
Nuvu Developments Limited	5,604	344
	<u>7,104</u>	<u>1,344</u>

8. OPERATING DEFICIT/SURPLUS

Operating surplus is stated after charging:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of housing properties (note 15)	21,081	19,077	-	-
Depreciation of other tangible fixed assets (note 16)	2,161	6,189	-	-
Impairment of goodwill (note 14)	422	5,688	-	-
Amortisation of intangible fixed assets (note 14)	1,393	1,546	-	-
Amortisation of finance debtor	1,519	1,567	-	-
Impairment of housing properties (note 15)	219	251	-	-
Impairment of leaseholder buybacks	5,313	-	-	-
Fire safety	8,014	7,215	-	42
Effect of settlements of Staffordshire Pension Scheme exit	-	4,426	-	-
Bad and doubtful debts	(793)	793	-	-
Operating lease rentals:				
- vehicles and equipment	1,129	1,197	-	-
- land and buildings	3,286	2,952	-	-
Auditor's remuneration (excluding VAT)				
-Fees payable to the Group's auditor for the audit of the group's financial statements	395	320	-	-
-Fees for audit of accounts of associated entities	61	85	-	-
-Tax compliance	-	45	-	6
-Taxation advisory services	-	16	-	-
-Other advisory services	-	49	-	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Fire safety costs that have not met the criteria for capitalisation have been charged to operating surplus and included above.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9. INTEREST RECEIVABLE AND OTHER INCOME

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Finance debtor interest	2,797	2,703	-	-
Interest received from JVs and associates	245	245	-	-
Other interest receivable	967	590	139	44
Share of surplus from JVs and associates	17	16	-	-
	<u>4,026</u>	<u>3,554</u>	<u>139</u>	<u>44</u>

10. INTEREST PAYABLE AND SIMILAR COSTS – GROUP

	2024	2023
	£'000	£'000
Loans and bank overdrafts	24,842	21,310
Fair value movement of non-basic instruments	403	(274)
Net interest payable on pension liabilities	649	211
Finance Leases	90	92
Payable on recycled grant	340	223
Loan break costs	5,416	-
Arrangement fees amortised or written off	474	306
Other finance costs including non-utilisation fees and commitment fees	1,105	963
Less: Interest payable capitalised on assets	(1,208)	(2,277)
	<u>32,111</u>	<u>20,554</u>

Interest is capitalised using an average monthly interest rate of 4.04% (2023: 3.51%).

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. EMPLOYEES

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

	Group		Association	
	2024	2023	2024	2023
	No.	No.	No.	No.
Administration	188	194	186	193
Housing, support and care	544	528	300	295
Maintenance	233	217	-	-
Development	17	15	17	15
	<u>982</u>	<u>954</u>	<u>503</u>	<u>503</u>
Staff costs:	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	33,996	32,871	17,635	19,481
Social Security costs	3,201	3,073	1,714	1,878
Other pension costs	1,603	1,478	978	1,021
	<u>38,800</u>	<u>37,422</u>	<u>20,327</u>	<u>22,380</u>

The Association participated in the SHPS, Arena Housing Group Pension Scheme, Cheshire Pension Scheme and Staffordshire County Council Pension. Cheshire Pension Scheme as of 31 March 2024 is not included in these financial statements as the results are not material. The Group exited from SCCPF on 2 December 2022. Further details are provided in note 34.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. EMPLOYEES (CONTINUED)

The full time equivalent number of staff who received remuneration (including employer pension contributions) greater than £60,000 (including the executive team):

	2024	2023
£60,001 - £70,000	47	47
£70,001 - £80,000	21	12
£80,001 - £90,000	8	9
£90,001 - £100,000	8	10
£100,001 - £110,000	7	6
£110,001 - £120,000	9	2
£120,001 - £130,000	-	2
£130,001 - £140,000	1	-
£140,000 - £150,000	1	-
£150,001 - £160,000	2	2
£160,001 - £170,000	1	2
£170,001 - £180,000	-	1
£190,001 - £200,000	2	-
£200,001 - £210,000	-	1
£220,001 - £230,000	-	1
£230,001 - £240,000	-	-
£240,001 - £250,000	-	1
£260,001 - £270,000	1	1
	<hr/> 108	<hr/> 97

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12. BOARD MEMBERS AND EXECUTIVE DIRECTORS

The aggregate amount of total remuneration paid to the highest paid executive, the Group's Chief Executive, was £236,302 (2023: £273,862) and contribution to pension scheme for that director amounted to £16,112 (2023: £2,460)

The Group's Chief Executive is an Executive Director, an ordinary member of the Social Housing Pension Scheme and does not receive any enhancements or special terms.

The total emoluments (including employer pension contributions) of the Executive and Non-Executive directors were:

	Executive directors	Non- Executive directors	2024 Total	2023 Total
	£'000	£'000	£'000	£'000
Salary	584	144	726	731
Employer's NI	76	5	81	119
Pension contributions	41	-	41	40
Severance cost & pay in lieu of notice	-	-	-	332
Benefits in kind	54	4	58	57
Other	-	-	-	-
	<u>755</u>	<u>153</u>	<u>906</u>	<u>1279</u>

Board Members

Your Housing Group operates a Common Board structure; the Common Board operates on behalf of the following entities – Your Housing Group Limited, Your Housing Limited and Frontis Homes Limited.

All of the Common Board members have a role in addition to their Board role; they either chair a Committee, Subsidiary or are a Committee member. Their level of remuneration reflects these additional responsibilities. The disclosure below relates to fees paid to Non-Executive members of the Board and customer members of the Customer Services Committee.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. BOARD MEMBERS AND EXECUTIVE DIRECTORS (CONTINUED)

	2024	2023
	£'000	£'000
Mike Gaskell	27	7
Beverley Messinger	15	14
Darrell Mercer	14	14
Brenda Smith	13	13
Stuart Coe	12	11
Alison Cambage	9	9
David Done	3	9
Christopher Mackenzie-Grieve	9	9
Beata Luczak	6	5
Anver Zeria	5	5
John Morris	5	5
Sarah Walmsley	5	4
Andrea Hampton	5	5
Bhupendra Mistry	2	-
Liz Harrison	2	-
Derek Cash	3	-
Richard Groome	-	29
	<u>135</u>	<u>139</u>

As well as these members, and outside of the common board structure, Aantage also has the following directors.

	2024	2023
	£'000	£'000
Oliver Jennings	9	9
Tom Miskell	9	9
	<u>18</u>	<u>18</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. KEY MANAGEMENT PERSONNEL

The aggregate remuneration, excluding pension contributions for key management personnel, which includes all members of the executive leadership team, including the Group's Chief Executive were:

	2024	2023
	£'000	£'000
Salary	584	600
Employer's NI	76	114
Benefits in kind	54	54
Pension contributions	41	40
Severance cost and pay in lieu	-	332
Total	755	1140

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. TAX ON (DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Taxation charge for the year	269	160	-	-
Adjustment for prior periods	80	37	-	-
Total current tax	349	197	-	-
Deferred taxation – origination and reversal of timing differences	(266)	385	-	-
Effect of tax rate change on opening balance	(90)			
Total tax on other comprehensive income	(356)	385	-	-

The standard rate of tax for the year based on the UK standard rate of corporation tax is 25% (2023: 19%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the reconciliation below.

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
(Deficit)/surplus on ordinary activities before tax	(11,831)	(17,564)	4,538	1,344
Theoretical tax at 25% (2023: 19%)	(2,959)	(3,337)	1,135	255
Effects of:				
Expenses not deductible for tax purposes	4,495	3,052	-	1
Difference between capital gain for accounts and tax purposes	86	251	-	-
Adjustment for prior periods	(75)	123	-	-
Income not taxable	464	(2,481)	(1,135)	(256)
Deferred tax not recognised	(516)	3,609	-	-
Net adjustment to deferred tax	-	-	-	-
Amounts relating to other comprehensive income or otherwise transferred	(1,206)	(635)	-	-
Other	(282)	-	-	-
Total tax charge	7	582	-	-

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. INTANGIBLE FIXED ASSETS

	Software £'000	Goodwill £'000	Total £'000
Cost			
At 1 April 2023	7,660	6,475	14,135
Additions	815	-	815
Reclassification	-	-	-
At 31 March 2024	<u>8,475</u>	<u>6,475</u>	<u>14,950</u>
Amortisation			
At 1 April 2023	3,202	365	3,567
Charge for year	1,393	-	1,393
31 March 2024	<u>4,595</u>	<u>365</u>	<u>4960</u>
Impairment			
At 1 April 2023	-	5,688	5,688
Charge for year	-	422	422
31 March 2024	<u>-</u>	<u>6,110</u>	<u>6,110</u>
Net book value			
At 31 March 2024	<u>3,880</u>	<u>-</u>	<u>3,880</u>
At 31 March 2023	<u>4,458</u>	<u>422</u>	<u>4,880</u>

Avantage was identified as a single CGU, an impairment review has been undertaken to consider whether there are any impairment triggers, which would require a wider impairment review. Impairment indicators were identified and the expected cash flows from the services provided under the PFI arranged were discounted to present value.

As a result of annual impairment review, impairment triggers were discovered. Management concluded an impairment of £422k (2023: £5,688k) on goodwill be recognised in the current year accounts.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting £'000	Housing properties under construction £'000	Low cost home ownership held for letting £'000	Low cost home ownership under construction £'000	Total £'000
Cost					
At 1 April 2023 (previously reported)	1,248,708	53,459	92,358	27,050	1,421,575
Reclassification restatement	28,365	-	-	-	28,365
At 1 April 2023 (restated)	1,277,073	53,459	92,358	27,050	1,449,940
Additions – works to existing properties	31,066	-	-	-	31,066
Additions – new properties developed	-	35,260	-	11,004	46,264
Schemes completed in year	31,452	(31,452)	19,667	(19,667)	-
Transfer (to)/from current assets	(26,080)	-	(45)	-	(26,125)
Disposals	(4,025)	-	(1,702)	-	(5,727)
At 31 March 2024	<u>1,309,486</u>	<u>57,267</u>	<u>110,278</u>	<u>18,387</u>	<u>1,495,418</u>
Depreciation					
At 1 April 2023 (previously reported)	255,223	-	8,671	-	263,894
Reclassification restatement	9,508	-	-	-	9,508
at 1 April 2023 (restated)	264,731	-	8,671	-	273,402
Charge for year	20,303	-	778	-	21,081
Transfers from current assets	(12,301)	-	(5)	-	(12,306)
Disposals	(3,325)	-	(174)	-	(3,499)
At 31 March 2024	<u>269,408</u>	<u>-</u>	<u>9,270</u>	<u>-</u>	<u>278,678</u>
Impairment					
At 1 April 2023	4,336	-	170	-	4,506
Charge for year	219	5,313	-	-	5,532
Disposals	-	-	-	-	-
At 31 March 2024	<u>4,555</u>	<u>5,313</u>	<u>170</u>	<u>-</u>	<u>10,038</u>
Net Book Value					
At 31 March 2024	<u>1,035,523</u>	<u>51,954</u>	<u>100,838</u>	<u>18,387</u>	<u>1,206,702</u>
At 31 March 2023	<u>1,008,006</u>	<u>53,459</u>	<u>83,517</u>	<u>27,050</u>	<u>1,172,032</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

The value of assets held as security on loan financing arrangements at 31 March 2024 was £1,248m (2023:£1,095m) on a secured basis.

	Housing properties held for letting £'000	Housing properties held for letting under construction £'000	Low cost home ownership held for letting £000	Low cost home ownership under construction £'000	Total 2024 £'000	Total 2023 (as restated) £'000
Freehold properties	824,446	51,954	81,438	18,387	976,225	941,555
Long-leasehold properties	208,836	-	19,400	-	228,236	228,236
Short-leasehold properties	2,241	-	-	-	2,241	2,241
	<u>1,035,523</u>	<u>51,954</u>	<u>100,838</u>	<u>18,387</u>	<u>1,206,702</u>	<u>1,172,032</u>

MAJOR REPAIRS EXPENDITURE ON EXISTING PROPERTIES – GROUP

	2024 £'000	2023 £'000
Capitalised major repairs works	31,066	28,636
Revenue major repairs works charge to income and expenditure (note 4.1)	2,185	3,109
	<u>33,251</u>	<u>31,745</u>

SOCIAL HOUSING ASSISTANCE – GROUP

Total accumulated social housing grant received or receivable for the year:

	2024 £'000	2023 £'000
Recognised in the Statement of Comprehensive Income (note 4.1)	4,931	4,774
Held as deferred income (note 27)	477,162	477,946
	<u>482,093</u>	<u>482,720</u>

FINANCE COSTS – GROUP

	2024 £'000	2023 £'000
Amount of finance costs included in the cost of housing properties	1,208	2,277

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

IMPAIRMENT

The aim of conducting an impairment review is to verify that the value of assets is not overstated compared to their recoverable amount. This involves comparing the recoverable amount with the carrying value of the asset to determine if it is impaired. If the recoverable amount is higher than the carrying value, then no impairment exists and there is no need for a write-down.

Total impairment of £5,313,000 recognised for the Beechmere lease buybacks and £219,000 recognised for long-term voids in the current year accounts.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. OTHER TANGIBLE FIXED ASSETS – GROUP (CONTINUED)

	Freehold office Property £'000	Leasehold property improvements £'000	Furniture, fixtures, fittings, office equipment £'000	Computer and telephone equipment £'000	Plant and machinery £'000	Scheme assets £'000	Assets under construction £'000	Total £'000
Cost								
At 1 April 2023 (previously reported)	12,121	3,112	234	18,674	134	35,659	3,064	72,998
Reclassification restatement	-	-	-	-	-	(28,365)	-	(28,365)
At 1 April 2023 as restated	12,121	3,112	234	18,674	134	7,294	3,064	44,633
Additions	137	-	-	227	49	2,964	1,020	4,397
Reclassification	(1,499)	-	-	-	-	(1,174)	-	(2,673)
Disposal	-	-	-	-	-	(12)	-	(12)
At 31 March 2024	<u>10,759</u>	<u>3,112</u>	<u>234</u>	<u>18,901</u>	<u>183</u>	<u>9,072</u>	<u>4,084</u>	<u>46,345</u>
Depreciation								
At 1 April 2023 (previously reported)	2,418	1,978	102	16,640	100	7,177	-	28,415
Reclassification restatement	-	-	-	-	-	(5,426)	-	(5,426)
At 1 April 2023 (restated)	2,418	1,978	102	16,640	100	1,751	-	22,989
Charge for year	450	225	39	873	20	554	-	2,161
Reclassification	(505)	-	-	-	-	-	-	(505)
Disposals	-	-	-	-	-	(3)	-	(3)
At 31 March 2024	<u>2,363</u>	<u>2,203</u>	<u>141</u>	<u>17,513</u>	<u>120</u>	<u>2,302</u>	<u>-</u>	<u>24,642</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. OTHER TANGIBLE FIXED ASSETS – GROUP (CONTINUED)

	Freehold office Property	Leasehold property improvements	Furniture, fixtures, fittings, office equipment	Computer and telephone equipment	Plant and machinery	Scheme assets	Assets under construction	Total
Net book value								
At 31 March 2024	<u>8,396</u>	<u>909</u>	<u>93</u>	<u>1,388</u>	<u>63</u>	<u>6,770</u>	<u>4,084</u>	<u>21,703</u>
At 31 March 2023	<u>9,703</u>	<u>1,134</u>	<u>132</u>	<u>2,034</u>	<u>34</u>	<u>5,543</u>	<u>3,064</u>	<u>21,644</u>

The reclassifications were made following a review of the appropriateness of the categorisation of scheme assets to housing properties.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. INVESTMENT PROPERTIES

	2024	2023
	£'000	£'000
Valuation		
At 1 April	77,641	74,117
Additions	2,940	171
Disposals	(103)	(168)
Fair value movement	(1,633)	5,079
Reclassification	(6,731)	(1,421)
Transfers to housing properties	-	(137)
At 31 March	<u>72,114</u>	<u>77,641</u>

The Board appointed JLL as the independent expert in the impartial valuation of properties held for market rent of the Group as at 31 March 2024. The Board have used the independent experts' report to determine the fair value of properties held for market rent of the Group as at the year end. The key valuation for market rent properties has been completed on a market value subject to the existing tenancies (MV-T) basis.

In valuing market rent investment properties, a discounted cash flow methodology was adopted with key assumptions:

Discount rate	7.5% - 8.25%
Annual rental growth (nominal)	5.0% (Year 1); 4.50% (Year 2); 4.0% (Years 3 and Year 4), 3.5% (Year 5+)
Exit yield	6.0% - 6.-50%
Stamp duty land tax	At the prevailing rate

Valuations for commercial properties are based on third-party valuation reports on a 5-year basis with an annual update to those reports, based on market conditions, in the intervening reporting periods. Valuations of self-constructed investment properties under development are based on the cost at initial recognition.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. FIXED ASSET INVESTMENTS – GROUP

	Associates Investment fund £'000	Shared equity investment £'000	2024 Total £'000	2023 Total £'000
Valuation				
At 1 April	2,486	1,204	3,690	3,867
Additions	-	-	-	-
Disposals	-	(102)	(102)	-
Repayments	-	-	-	(177)
Impairment	-	-	-	-
Reclassification	-	-	-	-
At 31 March	2,486	1,102	3,588	3,690
Loan balances between Associate entities:			2024 £'000	2023 £'000
Sapphire Extra Care (Holding) Limited			2,133	2,133
Grove Village Holdings Limited			353	353
			2,486	2,486

Shared Equity Investments

The Group operates a scheme by lending a percentage of the cost to home purchasers, secured on the property. An equity loan is provided by YHL to the value of between 20% and 25% of the property value. YHL charge interest on this loan to the Client. The mortgage period is variable up to 25 years. The portion loaned by YHL is settled on the termination date of the mortgage. Should the customer sell the property before the end of the mortgage period in this case the mortgage would be settled. Should the purchaser run into financial hardship and not be able to settle the loan to YHL the property will be sold. Shared Equity Investments are valued at cost. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

FIXED ASSET INVESTMENTS – ASSOCIATION

The association had the following invested capital in investments:

	2024 £'000	2023 £'000
Nuvu Development Limited	43,620	43,620
Nuvu Living LLP	6,431	6,431
	50,051	50,051

All entities are 100% owned subsidiaries of the Group with investments held at cost.

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. FIXED ASSET INVESTMENTS – GROUP CONTINUED)

INVESTMENTS IN ASSOCIATES– GROUP

The Group had the following aggregate interest in the net assets of the associates:

	Grove Village Holdings Limited	Sapphire Extra Care (Holding) Limited	Total £'000
At 1 April	2,641	83	2,724
Increase/ (decrease) in net assets	6	(6)	-
At 31 March	2,647	77	2,724

Investment in Associates

The Group had an interest in the following associates as at 31 March 2024, all of which are shareholdings held by Your Housing Limited:

Name of undertaking	Country of registration	Description of shares held	Proportion of nominal value of issued shares held 2024	Proportion of nominal value of issued shares held 2023	Nominal value of issued shares held 2024 £
Grove Village Holdings Limited	England	Ordinary £1 B shares	25.5%	25.5%	12,750
Sapphire Extra Care (Holding) Limited	England	Ordinary £1	33.3%	33.3%	16,667

Grove Village Holdings Limited

The Group holds a 25.5% interest in the ordinary share capital of Grove Village Holdings Limited, a company registered in England and Wales. The principal activity of the company is that of designing, refurbishing, financing, maintaining property and providing housing management services on the A6 Plymouth Grove social housing estate in Manchester, under a contract under the Government's Private Finance Initiative (PFI). During 2007 the Association provided funding in the form of unsecured loan notes to Grove Village Limited of £952,000, the balance on the notes at 31 March 2024 was £353,000 (2023: £353,000).

18. FIXED ASSET INVESTMENTS – GROUP CONTINUED)

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

INVESTMENTS IN ASSOCIATES– GROUP (CONTINUED)

The loan notes are due for final redemption in 2031 and accrue interest at 9.07% p.a. Dividends of £61,000 (2023: £55,000) were received during the year. Transactions are disclosed in note 33.

Sapphire Extra Care (Holding) Limited

During 2014 the Association provided long term funding in the form of unsecured loan notes to Sapphire Extra Care (Holding) Limited of £1,718,000, additional loan notes of £542,000 were provided in June 2021. The balance of outstanding notes at 31 March 2024 was £2,133,000 (2023: £2,133,000). The loan notes are due for final redemption in 2039 and accrue interest at 11.5% p.a. The Association held a 25.0% interest in the ordinary share capital of Sapphire Extra Care (Holding) Limited, a company registered in England and Wales, which was increased to 33.33% on 18th June 2021. The principal activity of the company is that of design, finance, build and provision of management and maintenance services of extra care housing facilities under a Private Finance Initiative ('PFI') contract with Stoke-On-Trent City Council. Dividends of £75,000 (2023: £66,000) were received during the year. Transactions are disclosed in note 33.

19. INVENTORIES

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Outright sales – completed	1,383	1,383	-	-
Shared ownership – completed	25,446	3,296	-	-
Outright sales – under construction	(9)	48	-	-
Shared ownership – under construction	40,563	39,130	-	-
Repairs stock	-	169	-	-
	<u>67,383</u>	<u>44,026</u>	<u>-</u>	<u>-</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. TRADE AND OTHER DEBTORS

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due within one year				
Arrears of rent and service charges	12,074	11,425	-	-
Less: provisions for bad and doubtful debts	(5,766)	(6,334)	-	-
	<u>6,308</u>	<u>5,091</u>	<u>-</u>	<u>-</u>
Amounts due from group undertakings (note 33)	-	-	520	45
Trade receivables	3,208	2,534	-	-
Prepayments	3,235	3,674	-	373
Accrued income	345	1,006	-	36
Insurance debtor	21,000	21,000	-	-
Finance debtor	1,133	1,133	-	-
Other debtors	1,715	5,900	909	3,252
	<u>36,944</u>	<u>40,338</u>	<u>1,429</u>	<u>3,706</u>

The £21m Insurance debtor relates to an accepted insurance claim to re-build a scheme on the Beechmere site that was destroyed by fire in August 2019. Work is ongoing to design a solution which is acceptable to all parties of the PFI.

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due after more than one year				
PFI finance debtor	47,648	45,214	-	-
Deferred Taxation	1,236	1,235	-	-
	<u>48,884</u>	<u>46,449</u>	<u>-</u>	<u>-</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. CASH AND CASH EQUIVALENTS

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash and cash equivalents	79,821	69,850	6,571	2,888
	<u>79,821</u>	<u>69,850</u>	<u>6,571</u>	<u>2,888</u>

Cash and Cash equivalents includes restricted cash comprising of ringfenced insurance cash £786,953 and a future major maintenance costs reserve of £1,458,658 in Avantage (Cheshire) Limited.

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2024 £'000	2023 As restated £'000	2024 £'000	2023 £'000
Bank loans (note 24)	5,109	13,258	-	-
Trade Creditors	9,872	8,195	1,888	847
Amounts due to group undertakings (note 33)	-	-	311	2,482
Rent and service charges received in advance	4,466	6,000	-	-
Deferred grant income (Note 26)	4,998	4,817	-	-
Recycled Capital Grant Fund (note 27)	521	493	-	-
Finance lease obligations	28	23	-	-
Corporation tax	385	92	-	-
Deferred income – services	3,988	720	-	-
Other taxation and social security	1,077	1,013	1,057	1,001
Accruals	31,711	29,230	664	1,976
Accrued contractor capital works	10,676	6,708		
Other creditors	6,820	5,395	728	1,475
	<u>79,651</u>	<u>75,944</u>	<u>4,648</u>	<u>7,781</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	Group		Association	
	2024	2023	2024	2023
	£'000	As restated £'000	£'000	£'000
Bank loans and Private Placements (note 24)	658,722	572,421	-	-
Sinking fund creditor	6,848	6,002	-	-
Finance Lease obligations (note 24)	950	978	-	-
Deferred Grant Income (note 26)	472,164	473,129	-	-
Recycled Capital Grant Fund (note 27)	2,857	9,451	-	-
	<u>1,141,541</u>	<u>1,061,981</u>	<u>-</u>	<u>-</u>

The Group has reclassified the sinking fund balances, previously included in short-term creditors, to long-term creditors.

24. DEBT ANALYSIS

Bank debt and Private Placements are repayable as follows:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due within one year (note 22)	5,109	13,258	-	-
Due after more than one year:				
Between one and two years	9,628	8,347	-	-
Between two and five years	113,220	108,820	-	-
After five years	540,154	459,670	-	-
	<u>663,002</u>	<u>576,837</u>		
Less: Debt issue costs	(4,279)	(4,416)	-	-
Due after more than one year	<u>658,723</u>	<u>572,421</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>663,832</u>	<u>585,679</u>	<u>-</u>	<u>-</u>

The loans are secured by fixed charges on individual properties. As at 31 March 2024, the weighted average interest rate was 3.17% (2023: 3.91%). Total undrawn committed facilities at 31 March 2024 were £144m (2023 - £245m).

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. DEBT ANALYSIS (CONTINUED)

The majority of debt is currently secured by way of first legal charges on certain housing properties of the Company. These properties are valued periodically by professional valuers and are stated either on an Existing Use Value for Social Housing or Market Value Subject to Tenancy basis.

Bank and other loans comprise the following:

	£'000	Fixed/ variable	Interest rates	Repayment profile
Bank and building society loans	400,436	Fixed and variable	1.48% to 8.05%	Bullet and instalments by January 2042
Private placements and other non-bank funding.	267,674	Fixed	2.44% to 4.59%	Bullet and instalments by May 2071
Less: Debt issue costs	(4,279)			
	<u>663,832</u>			

The range within bank and building society loans includes tranches which are drawn on either a SONIA plus margin or a fixed rate plus margin basis. 68% of the £400.4m bank and building society loans are on a fixed rate. Within 'other' loans, a legacy facility has been repaid in the year with the highest fixed rate loan now standing at 4.59% (2023: 11.35%).

AVANTAGE DEBT

The lender for Avantage (as security trustee for the senior finance parties) holds a fixed and floating charge over the Avantage company and its assets.

The PFI's largest loan obligations relate to a senior loan facility, the security for which is principally the cashflow generated by the project company. In the event that Avantage was unable to make its scheduled repayments and was therefore in default, the lender would have no recourse to Your Housing Limited as the parent entity of Avantage, either in terms of asset security or as any guarantor of Avantage's loans. This is the same for Your Housing Group. Avantage has currently paused repayment of loans with lender consent.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. DEBT ANALYSIS (CONTINUED)
FINANCE LEASES

Finance leases are repayable as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year (note 22)	28	23	-	-
Between one and two years	33	28	-	-
Between two and five years	138	118	-	-
After five years	779	832	-	-
Due in greater than one year	950	978	-	-
	978	1,001	-	-

The finance leases are secured over individual assets to which they relate.

25. FINANCIAL ASSETS AND LIABILITIES

The Treasury Strategy is designed to ensure that the Group has sufficient funding in place for all developments for the next 12 to 24 months, and that refinancing risk is managed to ensure that the Group does not need to refinance material amounts of debt in any one year. The Group manages short term cash flows by depositing facilities until they are required. Returns are maximised using money market deposits for free cash balances. The Group does not hold any financial instruments for speculative purposes.

Financial assets and liabilities are categorised as follows:

	2024 £'000	2023 £'000
Cash and cash equivalents	79,821	69,850
Trade and other debtors	33,507	35,353
Financial assets measured at amortised cost – PFI Debtor	47,866	46,347

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

25. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	2024	2023
	£'000	£'000
Financial liabilities measured at amortised cost – debt	(663,832)	(585,679)
Financial liabilities measured at amortised cost – finance leases	(978)	(1,001)
	<u>(664,810)</u>	<u>(586,680)</u>
Financial assets/(liabilities) measured at fair value through surplus or deficit	-	188
Creditors	(58,734)	(49,528)
	<u>(562,350)</u>	<u>(484,470)</u>

26. DEFERRED CAPITAL GRANT– GROUP

	2024	2023
	£'000	£'000
Total grant at start of period	563,985	563,247
Grants received in the year	4,970	2,476
Grants recycled in the year	(912)	(1,467)
Grants disposed in the year	-	(71)
Grant at the end of period	<u>568,043</u>	<u>563,985</u>
Total amortisation at start of period	(86,039)	(81,567)
Released to income in the period	(4,951)	(4,795)
Released on disposal	109	323
Total amortisation at end of period	<u>(90,881)</u>	<u>(86,039)</u>
Net book value at end of period	477,162	477,946
Net book value at start of period	477,946	481,680
Of which:		
Due within one year, Note 22	4,998	4,817
Due after more than one year, Note 23	<u>472,164</u>	<u>473,129</u>
	<u>477,162</u>	<u>477,946</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

27. RECYCLED CAPITAL GRANT FUND – GROUP

	2024	2023
	£'000	£'000
At 1 April	9,944	9,669
Grants recycled and disposed	(6,906)	50
Interest accrued	340	225
At 31 March	<u>3,378</u>	<u>9,944</u>
Due in less than one year (note 22)	521	493
Due in greater than one year (note 23)	2,857	9,451
	<u>3,378</u>	<u>9,944</u>

Recycled Capital Grant Fund is capital grant provided through Homes England and Local Authorities which is repayable in certain circumstances, but for which the Group is proposing to exercise its option to recycle into new projects. Withdrawals from the recycled capital grant fund were used for the purchase and development of new housing schemes for letting and for approved works to existing properties. The Group is actively working with the relevant agencies to mitigate the risk of being required to payback any sums by allocating amounts to schemes that are currently progressing.

28. PROVISIONS FOR LIABILITIES

Total provision		Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Deferred taxation	29.1	1,420	1,776	-	-
Asset reinstatement	29.2	38,989	43,342	-	-
Fire safety works	29.3	138	3,176		
At 31 March		<u>40,547</u>	<u>48,294</u>	<u>-</u>	<u>-</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

28. PROVISIONS FOR LIABILITIES (CONTINUED)

28.1 DEFERRED TAXATION

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	1,776	1,391	-	-
Charge to the Other Comprehensive Income (note 13)	(356)	385	-	-
At 31 March	<u>1,420</u>	<u>1,776</u>	<u>-</u>	<u>-</u>
Analysis of deferred tax balances	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Accelerated capital allowances	515	781	-	-
Short term timing differences	21	21	-	-
Provision for rollover relief	884	974	-	-
Provision for deferred tax	<u>1,420</u>	<u>1,776</u>	<u>-</u>	<u>-</u>

28.2 ASSET REINSTATEMENT

Asset reinstatement provision	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	43,342	32,734	-	-
Additional Provisions in the year	-	11,229	-	-
Utilisation of provision	(2,235)	(621)	-	-
Reversal of provision	(2,118)	-	-	-
At 31 March	<u>38,987</u>	<u>43,342</u>	<u>-</u>	<u>-</u>

The asset reinstatement provision relates to the rebuild of Beechmere, a scheme which was destroyed by fire in 2019. Rebuild is required under Clause 63.3 Reinstatement of the Project Agreement between Avantage and the Councils. The construction is expected to commence in late 2025, with completion expected to take approximately 2 years.

The payments for the construction will be met by the insurance property damage claim with any shortfall being funded by additional debt (Nationwide), additional income from the Councils or Grant provided by the Association.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

28. PROVISIONS FOR LIABILITIES (CONTINUED)

The provision has been utilised in year to commence groundworks, while the relevant parties work together to agree the required changes in the new building specification. Funds will be drawn to meet the build contract payments and will only commence once the Deed of Variation to the Project Agreement is completed with the Councils.

28.3 FIRE SAFETY WORKS

Fire safety work provision	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	3,176	7,809	-	-
Additional Provisions in the year		1,804	-	-
Utilisation of provision	(2,746)	(6,437)	-	-
Reversal of provision	(292)			
At 31 March	<u>138</u>	<u>3,176</u>	<u>-</u>	<u>-</u>

Fire safety works

The fire safety works were required to:

- Meet the June 2023 deadline in the Cheshire Fire and Rescue's report on resolving the requested modifications to those remaining Mere schemes to address the findings resulting from the fire at Beechmere. Avantage must comply in accordance with meeting the requirements of the Output Specification on Health and Safety; and
- Install sprinkler systems to meet the conditions of the requirement of the solution to respond to the Cheshire Fire and Rescue report to ensure meeting the requirement of the Output Specification on Health and Safety.

Works were completed in August 2023 with all certificates being received by Cheshire Fire and Rescue by the end of July 2023.

29. NON-EQUITY SHARE CAPITAL

	2024 £	2023 £
Shares of £1 each issued and fully paid		
At 31 March	<u>10</u>	<u>9</u>

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions. The members' liability is limited to £1 on a winding up of the Association.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

30. FINANCIAL COMMITMENTS

	Group		Association	
	2024	2023	2024	2023
Capital commitments	£'000	£'000	£'000	£'000
Expenditure contracted for but not provided in the accounts	130,817	83,694	-	-
Expenditure authorised by the board, but not contracted	38,015	91,212	-	-
	<u>168,832</u>	<u>174,906</u>	<u>-</u>	<u>-</u>
Financed by				
Social housing grant	-	-	-	-
Loans / cash funds	168,832	174,906	-	-
	<u>168,832</u>	<u>174,906</u>	<u>-</u>	<u>-</u>

Operating lease commitments

The future minimum payments of leases are set out below.

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Land and buildings - PFI Contracts				
Within one year	2,450	2,350	-	-
Between two and five years	10,617	10,250	-	-
More than five years	36,584	37,802	-	-
	<u>49,651</u>	<u>50,402</u>	<u>-</u>	<u>-</u>
Vehicles and Equipment				
Within one year	378	634	378	634
Between two and five years	223	622	223	622
	<u>601</u>	<u>1,256</u>	<u>601</u>	<u>1,256</u>
	<u>50,252</u>	<u>51,658</u>	<u>601</u>	<u>1,256</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

31. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES – GROUP

	2024	2023
	£'000	£'000
(Deficit) for the year	(11,831)	(18,146)
Adjustments for non-cash items:		
Share of associates operating surplus	(136)	-
Depreciation of housing properties, Note 15	21,081	19,077
Depreciation of other fixed assets, Note 16	2,161	6,189
Amortisation of intangible assets, Note 14	1,393	1,546
Grant amortisation	(4,957)	(4,795)
Impairment of housing properties	5,532	251
Reversal of impairment of fixed assets	-	(4)
Impairment of goodwill	422	5,688
Movement in fair value of investments	1,677	(5,079)
Decrease/(increase) in trade and other debtors	4,381	(2,470)
(Decrease)/increase in trade and other creditors	4,839	12,117
Decrease from the sale of inventories	21,555	3,759
Increase in other provisions	(7,747)	3,451
Tax paid	(300)	-
Pension costs less contributions payable	(3,876)	792
Adjustments for investing or financing activities:		
Net gain on sale of fixed assets	(3,249)	(4,540)
Pension Interest	-	-
Interest payable	32,111	20,554
Finance debtor interest	(2,797)	(2,703)
Interest received	(1,229)	(851)
Taxation	-	582
Net cash flow from operating activities	<u>59,030</u>	<u>35,418</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

32. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES – GROUP (CONTINUED)

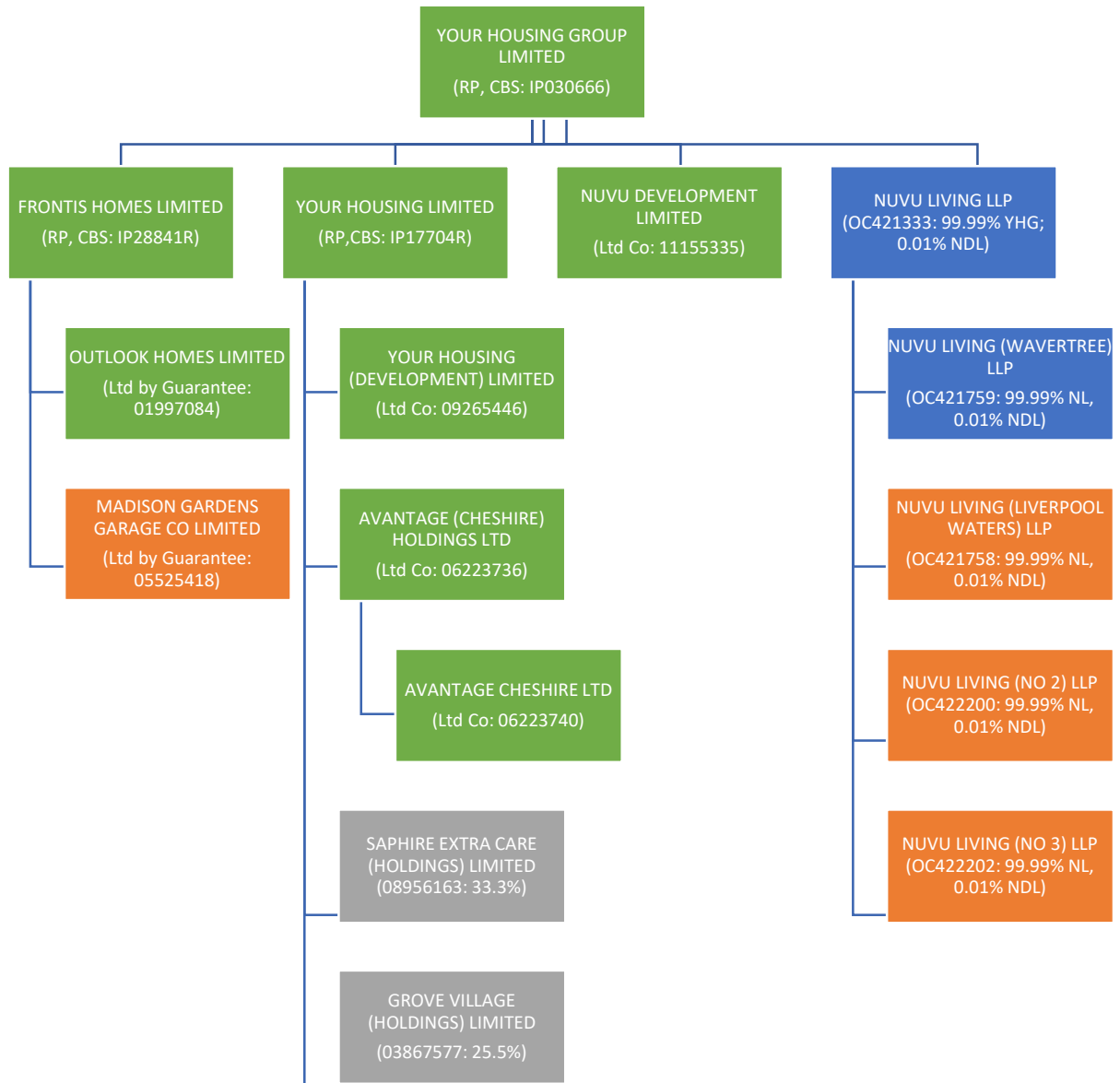
Analysis of changes in net debt

	At 1 April 2023	Cash flows	Loan drawdown	Loan repayment	Fair value & exchange movements	Non-cash movement	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash .at bank and in Hand	69,850	9,971	-	-	-	-	79,821
Cash and cash equivalents	69,850	9,971	-	-	-	-	79,821
Borrowings							
Bank loans due within one year	(13,258)	-	-	13,258	-	(5,109)	(5,109)
Bank loans due after one year	(572,421)	360	(101,000)	9,941	(215)	4,612	(658,723)
Other loans due within one year	-	-	-	-	-	-	-
Finance Leases, Note 24	(1,001)	23	-	-	-	-	(978)
Total	(586,680)	383	(101,000)	23,199	(215)	(497)	(664,810)

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

33. GROUP UNDERTAKINGS AND RELATED PARTIES

The group undertakings consolidated within the Your Housing Group financial statements, are shown in the chart below: Green = 100% owned; Blue = majority owned; Orange = dormant; and Grey = minority shareholding



All entities are incorporated in England and Wales. The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions, with the exception of Avantage (Cheshire) Holdings Limited, Avantage (Cheshire) Limited, Grove Village Holdings Limited, Sapphire Extra Care (Holdings) Limited, Nuvu Development Limited, Nuvu Living LLP, Nuvu Living (Liverpool Waters) LLP, Nuvu Living (Wavertree) LLP, Outlook Homes Limited, Your Housing (Development) Limited and Your Hive (No. 2) Limited, where the Group is entitled to dividends or distributions.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. GROUP UNDERTAKINGS AND RELATED PARTIES (CONTINUED)

The Association has taken advantage of the exemption not to disclose transactions with other members of Your Housing Group Limited, which are registered providers. There are no transactions with non-registered providers where the Group does not control 100% of the entity.

The Group has taken advantage of the exemption not to disclose transactions with other wholly owned members of Your Housing Group Limited, which are registered providers. Transactions with non-registered providers are shown below, along with associate entities.

Management charges between entities are calculated based on the number of units managed, increasing on an annual basis by RPI.

2024	Sales/ interest £'000	Purchases £'000	Debtor £'000	Creditor £'000	Loan £'000
Subsidiaries:					
Your Housing Development Limited	-	-	-	-	-
NUVU Development Limited	627	-	37,286	-	-
NUVU Living (Wavertree) LLP	64	-	-	(3)	-
Avantage (Cheshire) Holdings Limited	-	-	-	(3,714)	3,714
Avantage (Cheshire) Limited	2,513	(3,852)	3,714	-	11,000
Associates:					
Grove Village Holdings Limited	1,054	-	831	-	353
Sapphire Extra Care (Holdings) Limited	887	(3,286)	-	-	2,133
2023					
	Sales/ interest £'000	Purchases £'000	Debtor £'000	Creditor £'000	Loan £'000
Subsidiaries:					
Your Housing Development Limited	-	-	-	(35)	-
NUVU Development Limited	582	(48,635)	56,162	-	-
NUVU Living (Wavertree) LLP	68	-	-	(498)	-
Avantage (Cheshire) Holdings Limited	-	-	-	(3,669)	-
Avantage (Cheshire) Limited	2,226	(3,396)	3,669	-	12,519
Associates:					
Grove Village Holdings Limited	952	-	2,314	-	353
Sapphire Extra Care (Holdings) Limited	795	(2,951)	-	-	2,133

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

33. GROUP UNDERTAKINGS AND RELATED PARTIES (CONTINUED)

The loan to Avantage (Cheshire) Holdings Limited is provided at a rate on 10.45%. The loan to Grove Village Holdings Limited is provided at a rate of 9.07%. The loan to Sapphire Extra Care (Holdings) Limited is provided at a rate of 11.50%.

The amounts due from group undertakings include intercompany loans of £3,714,000 (2023: £3,714,000) and £11,000,000 (2023: £8,805,000). The £3.7m unsecured loan is repayable over 14 years and attracts interest at a fixed rate of 10.45%. The £11m has been drawn from an unsecured loan facility of £11m at a fixed interest rate of 2.5%. Following a variation to the loan facility agreed on 28 March 2024, repayment is due by 31 March 2025.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS

Aggregate Position of Pension Funds

	SHPS	Arena	SCCPF	2024	2023
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	69,850	22,453	-	92,303	95,999
Present value of defined benefit obligations	(85,002)	(20,557)	(62)	(105,621)	(108,881)
Non-recoverable surplus	-	(1,896)	-	(1,896)	(2,522)
Defined benefit liability to be recognised	(15,152)	-	(62)	(15,214)	(15,404)
Defined benefit obligation at start of period	87,690	21,129	62	108,881	182,136
Expenses	95	-	-	95	93
Interest expense	4,141	986	3	5,130	4,994
Actuarial losses (gains) due to scheme experience	(657)	805	3	151	3,442
Actuarial losses (gains) due to changes in demographic assumptions	(353)	-	-	(353)	(916)
Actuarial losses (gains) due to changes in financial assumptions	(2,573)	(1,191)	(1)	(3,765)	(58,754)
Benefits paid and expenses	(3,341)	(1,172)	(5)	(4,518)	(4,836)
Effects of settlement	-	-	-	-	(17,278)
Defined benefit obligation at end of period	85,002	20,557	62	105,621	108,881
Fair value of plan assets at start of period	72,348	23,651	-	95,999	172,730
Interest income	3,498	1,104	-	4,602	4,783
Experience on plan assets - gain (loss)	(6,770)	(981)	(5)	(7,756)	(58,701)
Employer contributions	4,115	-	-	4,115	3,863
Expenses	-	(149)	-	(149)	(141)
Benefits paid and expenses	(3,341)	(1,172)	5	(4,508)	(4,831)
Effect of settlement	-	-	-	-	(21,704)
Fair value of plan assets at end of period	69,850	22,453	-	92,303	95,999
Analysis of charges to the Statement of Comprehensive Income:					
Administrative expenses	95	149	-	244	234
Effect of settlement	-	-	-	-	4,426
Total charge to operating costs	95	149	-	244	4,660
Interest on plan assets	-	-	-	-	4,783
Interest on pension scheme liabilities	643	(118)	3	528	(4,994)
Interest on irrecoverable surplus	-	121	-	121	-
Total charge to other finance costs	643	3	3	649	(211)
Experience on plan assets - gain (loss)	(6,770)	(981)	-	(7,751)	(58,701)
Experience gains and losses arising on the plan liabilities - gain (loss)	657	386	(2)	1,041	(3,442)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	353	-	-	353	916
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	2,573	-	-	2,573	58,754
Net movement on restriction of non-recoverable surplus	-	747	-	747	3,010
Total other comprehensive income	(3,187)	152	(2)	(3,037)	537

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (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 last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association 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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

The Association has 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 which could potentially impact the value of Scheme liabilities.

The net defined benefit liability at the year ended 31 March 2024 is £15,152,000 (2022: £15,342,000).

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS) (continued)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2024	2023
	£'000	£'000
Fair value of plan assets	69,850	72,348
Present value of defined benefit obligation	<u>(85,002)</u>	<u>(87,690)</u>
Defined benefit liability to be recognised	<u>(15,152)</u>	<u>(15,342)</u>
	2024	2023
	£'000	£'000
Defined benefit obligation at start of period	87,690	130,139
Expenses	95	93
Interest expense	4,141	3,593
Actuarial (gains)/losses due to scheme experience	(657)	(985)
Actuarial (gains)/losses due to changes in demographic assumptions	(353)	(771)
Actuarial (gains)/losses due to changes in financial assumptions	(2,573)	(41,747)
Benefits paid and expenses	<u>(3,341)</u>	<u>(2,632)</u>
Defined benefit obligation at end of period	<u>85,002</u>	<u>87,690</u>

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	72,348	115,901
Interest income	3,498	3,248
Experience on plan assets (excluding amounts included in interest income) – (loss)/gain	(6,770)	(48,032)
Contributions by the employer	4,115	3,863
Benefits paid and expenses	<u>(3,341)</u>	<u>(2,632)</u>
Fair value of plan assets at end of period	<u>69,850</u>	<u>72,348</u>

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2023 to 31 March 2024 was (£3,272,000) (2023: £44,784,000).

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS) (continued)

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)

	2024	2023
	£'000	£'000
Expenses	95	93
Net interest expense	643	345
Defined benefit costs recognised in statement of comprehensive income (SOCl)	<u>738</u>	<u>438</u>

Defined Benefit Costs Recognised in Other Comprehensive Income

	2024	2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(6,770)	(48,032)
Experience gains and losses arising on the plan liabilities – gain/(loss)	657	985
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	353	771
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	2,573	41,747
Total (loss)/gain recognised in other comprehensive income	<u>(3,187)</u>	<u>(4,529)</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS) (continued)

Assets

	2024	2023
	£'000	£'000
Global Equity	6,961	1,350
Absolute Return	2,727	783
Distressed Opportunities	2,462	2,190
Credit Relative Value	2,289	2,731
Alternative Risk Premia	2,217	134
Emerging Markets Debt	904	389
Risk Sharing	4,088	5,326
Insurance-Linked Securities	361	1,826
Property	2,805	3,114
Infrastructure	7,056	8,263
Private Equity	57	-
Private Debt	2,748	3,219
Opportunistic Illiquid Credit	2,730	3,095
Cash	1,378	522
High Yield	11	253
Opportunities Credit	-	5
Liquid Credit	-	1
Long Lease Property	451	2,183
Secured Income	2,086	3,321
Liability Driven Investment	28,427	33,320
Currency Hedging	(28)	139
Net Current Assets	120	184
Total assets	<u>69,850</u>	<u>72,348</u>

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

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS) (continued)

Key Assumptions

	2024	2023
	% per annum	% per annum
Discount Rate	5.00	4.80
Inflation (RPI)	3.10	3.10
Inflation (CPI)	2.80	2.80
Salary Growth	3.30	3.30
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024	2023
	No. of	No. of
	Years	Years
Retiring today (member age 65) – Male	20.5	20.7
Retiring today (member age 65) – Female	23.0	23.1
Retiring in 20 years (member age 45 today) – Male	21.8	21.9
Retiring in 20 years (member age 45 today) – Female	24.4	24.5

Arena Housing Group Pension Scheme

The Association has a pension liability in relation to a defined benefit scheme with the Arena Group Pension Scheme.

Assumptions as at 31 March

	2024	2023
	% p.a.	% p.a.
Inflation assumption	3.10	3.20
Salary increases – year one	3.30	3.30
Salary increases – year two onwards	3.30	3.30
Discount rate	5.00	4.80

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

The Social Housing Pension Scheme (SHPS) (continued)

Weighted average life expectancy for mortality tables used to determine benefit obligations:

	2024	2023
	No. of	No. of
	Years	Years
Retiring today (member age 65) – Male	20.5	21.1
Retiring today (member age 65) – Female	23.0	23.1
Retiring in 20 years (member age 45 today) – Male	21.8	22.2
Retiring in 20 years (member age 45 today) – Female	24.4	24.8

Analysis of amounts recognised in the Statement of Financial Position:

	2024	2023
	£'000	£'000
Estimated employer assets	<u>22,453</u>	<u>23,651</u>
Present value of scheme liabilities	<u>(20,557)</u>	<u>(21,129)</u>
Defined benefit pension scheme surplus per valuation	<u>1,896</u>	<u>2,522</u>
Non-recoverable surplus	(1,896)	(2,522)
Net pension asset/(liability) included in the financial statements	<u><u>-</u></u>	<u><u>-</u></u>

The scheme has been valued showing a surplus of £1,896,000 as at 31 March 2024 and of £2,522,000 as at 31 March 2023. Defined benefit pension scheme surpluses are limited to the extent they are considered recoverable either through reduced contributions or agreed refunds from the scheme. Neither are applicable and therefore the surplus is restricted to nil.

Analysis of amount charged to Statement of Comprehensive Income:

	2024	2023
	£'000	£'000
Total net interest cost	3	(153)
Administration charges	149	141
Total charge	<u><u>152</u></u>	<u><u>(12)</u></u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

Arena Housing Group Pension Scheme (continued)

Defined Benefit Costs Recognised in Other Comprehensive Income (SOCl)

	2024	2023
	£'000	£'000
Effect of changes in assumptions & effect of experience adjustments	386	5,715
(Return) on plan assets (excluding interest income)	(981)	(8,737)
Net movement on restriction of non-recoverable surplus	747	3,010
Total gain/ (loss) recognised in other comprehensive income	<u>152</u>	<u>(12)</u>

Amounts recognised in Other Comprehensive Income:

	2024	2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(981)	(8,737)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	386	5,715
Actuarial (loss)/gain	<u>(595)</u>	<u>(3,022)</u>

Reconciliation of defined benefit obligation:

	2024	2023
	£'000	£'000
Opening defined benefit obligation	21,129	27,715
Interest cost	986	753
Actuarial (gains)/losses	(386)	(5,715)
Benefits paid	(1,172)	(1,624)
Loss on curtailments/changes/introductions	-	-
Closing defined benefit obligation	<u>20,557</u>	<u>21,129</u>

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

34. PENSIONS (CONTINUED)

Arena Housing Group Pension Scheme (continued)

Reconciliation of fair value of employer assets:

	2024	2023
	£'000	£'000
Opening fair value of employer assets	23,651	33,247
Interest Income	1,104	906
Contribution by the employer	-	-
Administration expenses	(149)	(141)
Actuarial (losses)/gains	(981)	(8,737)
Benefits paid	(1,172)	(1,624)
	<u>22,453</u>	<u>23,651</u>
Closing fair value of employer assets	<u>22,453</u>	<u>23,651</u>

Contributions

The Association expects to contribute £nil (2023: £nil) to the Arena Group Pension Scheme during the 2023/24 financial year in respect of the shortfall in funding as the shortfall has now been paid in full. The last triennial valuation was carried out at 31 March 2019, with the 31 March 2023 triennial valuation currently in progress. A new schedule of contributions will be agreed as part of this valuation.

Staffordshire County Council Pension Fund (SCCPF)

The SCCPF is a multi-employer scheme, administered by Staffordshire County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2024 allowing for the different financial assumptions required under FRS102, to 31 March 2024 by a qualified independent actuary.

The net defined benefit liability at the year ended 31 March 2024 is £62,000 (2023: £62,000).

The employer's contributions to the SCCPF by the association for the year ended 31 March 2024 were £nil (2023: £24,000). No employees are contributing to the scheme. Estimated employer's contributions to the SCCPF during the accounting period commencing 1 April 2024 are £nil (2023: £24,000).

Your Housing Group ceased to have active members in the Staffordshire County Council Pension Fund in 2017 and entered into a Funding Agreement with the Fund.

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

Arena Housing Group Pension Scheme (continued)

During the financial year 2023, the funding position improved to the extent that Your Housing Group decided to terminate the Funding Agreement with effect from 2 December 2022. The Fund Actuary prepared a Cessation Report which confirmed that no cessation payment was required from Your Housing Group. Your Housing Group has been discharged of all future obligation to the Fund.

Assumptions as at 31 March

	2024	2023
	% p.a.	% p.a.
Inflation assumption	N/A	3.0
Salary increases	N/A	4.0
Discount rate	4.8	4.8
Commutations	65.0	65.0

Weighted average life expectancy for mortality tables used to determine benefit obligations:

	2024	2023
	No. of	No. of
	Years	Years
Retiring today (member age 65) - Male	20.7	21.4
Retiring today (member age 65) - Female	24.0	24.3
Retiring in 20 years (member age 45 today) - Male	N/A	22.2
Retiring in 20 years (member age 45 today) - Female	N/A	25.7

Analysis of amounts recognised in the balance sheet:

Net pension liability at	2024	2023
	£'000	£'000
Estimated employer assets	-	-
Present value of scheme liabilities	(62)	(62)
Present value of unfunded liabilities	-	-
Total value of liabilities	62)	62)
Net pension liability	<u>(62)</u>	<u>(62)</u>

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. PENSIONS (CONTINUED)

Staffordshire County Council Pension Fund (continued)

Analysis of amount charged to operating profit:

	2024	2023
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Effect of settlements	-	4,426
Total operating charge	<u>-</u>	<u>4,426</u>

Analysis of defined benefit cost recognised in Statement of Comprehensive Income:

	2024	2023
	£'000	£'000
Expected return on employer asset	-	(629)
Interest on pension scheme liabilities	3	648
Total finance costs	<u>3</u>	<u>19</u>

Analysis of amounts recognised in Other Comprehensive Income:

	2024	2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) –gain	3	(1,038)
Experience gains and losses arising on the plan liabilities – (loss)/gain	-	(2,441)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	145
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	(1)	8,412
Actuarial gain	<u>2</u>	<u>5,078</u>

34. PENSIONS (CONTINUED)

YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Staffordshire County Council Pension Fund (continued)

Reconciliation of defined benefit obligation:	2024	2023
	£'000	£'000
Opening defined benefit obligation	62	24,282
Interest cost	3	648
Effect of settlements	-	(17,278)
Actuarial (gains)/losses	2	(7,010)
Estimated unfunded benefits paid	(5)	(5)
Estimated benefits paid	-	(575)
Closing defined benefit obligation	<u>62</u>	<u>62</u>

Reconciliation of fair value of employer assets:

	2024	2023
	£'000	£'000
Opening fair value of employer assets	-	23,582
Interest Income	-	629
Effect of settlements	-	(21,704)
Actuarial gains	-	(1,932)
Contribution by the employer	-	-
Estimated unfunded benefits paid	(5)	(5)
Estimated benefits paid	-	(575)
Estimated contributions in respect of unfunded benefits paid	5	5
Benefits paid	-	-
Closing fair value of employer assets	<u>-</u>	<u>-</u>

**YOUR HOUSING GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

35. CONTINGENT LIABILITY

The Association has been notified by the Trustee of the Social Housing Pension Scheme (SHPS) 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.


In late June 2023, Cheshire Fire and Rescue Service (CFRS) issued a court summons alleging that Your Housing Limited and Avantage (Cheshire) Limited (together with four unrelated Companies) breached duties under the Regulatory Reform (Fire Safety Order 2005), following a fire at Beechmere retirement living development in 2019. Devonshires have been engaged to represent YHL and Avantage. A review of the initial prosecution disclosure was undertaken and as a result of that we are advised to enter pleas of not guilty to all charges. We are advised that a court hearing can be expected in a window from late 2024 to late 2025. The outcome is uncertain.

No Provision has been made for potential fines associated with the fire, in these financial statements as management do not consider that there is any probable loss.

The guidelines that may be adopted by the court set a range of fines dependent on turnover and the levels of harm and culpability. These levels are determined by the judge when sentencing and not at the time of charges being brought. We continue to co-operate fully with Cheshire Fire and Rescue Service. Avantage and YHL's management and legal advisers do not recognise the strength of the case made, will lead to a guilty finding. As a result of this, it is not possible to determine with any degree of certainty, what, if any, financial penalties will be levied on Avantage or YHL. The potential range of financial outflow could be in the region of £1m - £2.0m, for fines.

At such time as the quantum and likelihood of any penalty is able to be reliably determined and where it is considered probable, further disclosure or provision, as appropriate will be made in accordance with FRS102 "Provisions, Contingent Liabilities and Contingent Assets".



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Through our **passion** for housing, more **people** have a **safe** place to call **home**