Regenda Limited

Report and Financial Statements

Year Ended
31 March 2024

Co-operative and Community Benefit Society (FCA) number: 31240R

Regulator of Social Housing number: L4653

Regenda Limited

Report and financial statements for the year ended 31 March 2024

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Group Highlights – Five-year summary

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Statement of Comprehensive Income					
Turnover	103,803	76,616	72,439	75,868	70,703
Operating surplus	13,493	9,262	11,791	16,825	9,017
Surplus retained for the year	4,523	221	1,349	8,789	199
Actuarial gain/(loss) in pension scheme	(1,705)	(1,718)	3,930	(4,897)	5,383
Statement of Financial Position					
Housing properties net of depreciation	499,259	492,135	490,645	490,544	486,140
Investment properties	31,483	31,423	29,966	28,363	23,906
	530,742	523,558	520,611	518,907	510,046
Other fixed assets	10,345	10,203	10,303	10,138	10,485
Goodwill	4,405	4,894	-	-	150
Investment in associate	-	-	-	184	-
Fixed asset investments	473	407	-	-	-
Net current (liabilities)/assets	(877)	(5,886)	524	7,723	3,880
Total assets less current liabilities	545,088	533,176	531,438	536,952	524,561
Loans due over 1 year	209,582	206,988	205,123	209,476	205,203
Other long-term liabilities	230,764	227,385	226,805	228,378	228,167
Pension liability	7,559	7,332	7,128	12,311	8,613
Provisions for liabilities	4,203	1,309	723	407	-
Endowment reserves	115	111	110	110	102
Restricted reserves	1,396	1,377	1,371	1,396	1,374
Revenue reserves	91,469	88,674	90,178	84,874	81,102
	545,088	533,176	531,438	536,952	524,561
Housing properties owned and managed at year end	**Number**	**Number**	**Number**	**Number**	**Number**
Social housing	12,607	12,691	12,741	12,777	12,743
Non-social housing	435	488	238	242	224
	13,042	13,179	12,979	13,019	12,967
Statistics					
Operating surplus (excluding fixed asset disposals and revaluations) as % turnover	11.30%	9.3%	15.18%	19.99%	14.35%
Operating Margin – SH Lettings	19.03%	19.7%	22.80%	28.92%	23.37%
Rent losses (voids and bad debts as % of rent and service charges receivable)	0.64%	0.59%	1.54%	1.72%	2.33%
Rent arrears (gross arrears as a % of rent and service charges receivable)	5.08%	5.58%	5.69%	5.65%	5.75%
Interest cover EBITDA- MRI	123.31%	42.05%	98.78%	156.94%	98.33%
Gearing (total loans/net housing fixed assets)	40.00%	41.31%	40.00%	38.84%	40.37%

Value for money statement

We aim to achieve value for money in all that we do. We believe that value for money means using our resources and assets economically, efficiently, and effectively, in achieving the outcomes of our strategic objectives, our core purpose, and in keeping with stakeholder expectations.

Our commitment to value for money is led by the board, shared across the Group and is embedded within our strategy.

Core purpose and values

We deliver our core purpose through a dynamic group of organisations (commercial and charitable entities) delivering very different but complementary activities. We work where we can make a difference and operate across the housing and construction, care and support, and training and employment sectors.

Our companies fundamentally exist to support the attainment of our core purpose, through the provision of services with clear social and economic outcomes.

With a charitable parent company, we are an independent social business. We define our operating philosophy as one that creates and pursues opportunities relentlessly to sustainably generate social value.

The successful attainment of our goals will ensure that we are a market-leading, high-performing organisation, fulfilling our core purpose of regenerating places by providing opportunities for people to advance their social and economic wellbeing.

Our Group includes:

- The provision of a comprehensive range of high-quality multi-tenure housing products and services, to reflect the dynamic nature of the housing market and the diversity of our customer.
- The provision of education, training, apprenticeship, career and personal development services and programmes that raise aspirations, improve life chances and ultimately enhance opportunities for fulfilling and sustainable employment.
- The provision of care and support services that assist individuals and families in accordance with their specific needs.

We have a clear approach to grow and diversify our activities to further both the progression of our core purpose and strengthen our financial position. Achieving our core purpose with limited and reducing recourse to public funding is our goal in this respect.

As a social business, we operate in some markets that traditionally private sectors choose not to enter, as the financial returns are not sufficiently attractive. However, these markets are crucial to the effective functioning of civil society in the UK and therefore an integral part of our core purpose to address such market needs, the desire sometimes means the need to subsidise them and we will be open to such requirements in accordance with the financial capacity of our business plan.

Our values are the operating principles and philosophies that guide our internal conduct as well as our relationship with customers, partners and wider stakeholders.

Core purpose and values (continued)

Our values are:

- Customer centric
- Communication
- Efficiency and value for money
- High performance
- One team
- Ambition and dynamism
- Openness and honesty

We assess how well we reflect these values in practice by consulting with staff, customers and other stakeholders, enabling them to exert influence on our policies and procedures.

Operating Context

The social housing sector continues to face a difficult operating environment. Over recent years, the UK economy has faced persistently high inflation, higher borrowing costs, challenges accessing skilled labour, and a declining housing market. These challenges, together with wider global issues such as the Ukraine war and instability in the Middle East, continue to impact the housing sector.

Demand for more affordable homes and the need for significant investment in existing homes to deliver improvements to quality, building safety, and energy efficiency commitments, continue to feature as high priority within the sector.

The cost of living and incidence of financial hardship, fuel poverty and overall poverty is continuing to increase and impact on our customers. Out diverse service offer, incorporating quality housing, care and support, education and apprenticeships will be at the heart of helping people through difficult times.

Our group structure and objectives outlined within our Group Corporate Plan (2023-25) provides strong foundations to enable us to respond with confidence to the challenging and dynamic operating environment in which we work.

Whilst we continue to experience challenges with planning and supply chain pressures, out Group structure helps us to ensure that the group is protected from any potential contract failures as M&Y is financially strong and can deliver works required.

M&Y's inclusion in the group structure also enables the achievement of savings in VAT. The savings in input VAT are c£4m per annum. VAT can only be recovered to the extent that it is incurred while making taxable supplies. Rental income is exempt from VAT and therefore repairs, maintenance and major repairs activities attributable to this supply are therefore exempt. If these supplies were made by a third party, VAT charges to Regenda and Redwing for these activities would be irrecoverable. By having M&Y within the structure and within the VAT group, the group saves on the input VAT that would have been charged by a third party provider.

The integration of Ecogee into the Group in 2023 builds upon our commitment to proactively respond to the environmental challenges that we all face, enabling us to deliver retrofit and energy improvement works required in the most cost-effective way while being protected from any potential contractor failures.

Benchmark Group

We compare our performance both to national-sector wide performance and to local housing providers of a similar size to us. We also review our performance over time. As the 2023/24 benchmarks are not yet available, we have used benchmark data for 2022/23 as a comparison.

Metrics	National Benchmark Group	Local Peer Group
The Regulator of Social Housing VFM metrics	National median – all registered providers. Source: Global accounts 2023 (all registered providers)	All traditional and LSVT (over 12 years) within the Northwest with between 10,000 and 20,000 units. (12 Registered Providers: • Bolton At Home • First Choice Homes Oldham • ForHousing (Owned stock) • Great Places Housing Group • Livv Housing Group • Magenta Living • New Charter Homes • One Manchester • One Vision Housing • Plus Dane Housing • Rochdale Boroughwide Housing • Wythenshawe Community Housing Group
Operational performance metrics	Housemark – National traditional registered providers and LSVTs with between 10,000 and 20,000 units (*up to 74 peer organisations).	HouseMark – Northwest traditional registered providers and LSVTs with between 10,000 and 20,000 units (*up to 20 peer organisations).

The Group's Board and Executive Team use a key set of indicators to monitor performance and achievement of the Group's strategic aims and objectives. An overview of the Group's performance in the year compared to target, previous year actuals, and benchmark, is provided throughout this report.

The Group sets out its core purpose, and strategic aims and objectives within its Corporate Plan; with measurable targets to assess performance, over time and relative to others. Performance against the expected outcomes of the Corporate Plan is regularly assessed by the Executive Team and Board.

Value for money is not just about reducing costs but also includes achieving efficiencies and generating more value from the resources we have and the investments we make. VFM is embedded within the annual planning process, ensuring it is part of all we do. Every year, we review our strategic priorities outlined within our Group Corporate Plan (GCP), together with associated performance targets to ensure they remain challenging and realistic. Customer feedback was considered when setting our targets including input from our Resident Voice Panel (RVP) which is made up of residents' representatives from Regenda Homes and Redwing.

In 2023/24 we continued to adjust our services to respond to the current economic context of increasing cost of living, rising costs and increasing pressures within the labour market.

Value for money metrics

To demonstrate the progress we are making, we report against the seven VFM metrics defined by the Regulator of Social Housing. Within this report you can review:

- Measurement against the targets we have set ourselves, and previous year's performance to show direction of travel.
- Comparison of our performance against other similar organisations.

We use this information to assess progress against our corporate objectives and to shape our improvement plans.

We publish performance against these metrics within this report, together with a summary VFM statement online and information within our annual report to ensure we are open and transparent.

EBITDA-MRI

Interest cover (at group level) achieved in the year was 123.3% (2023 42.1%). The main reasons for the improvement in this measure compared to the prior year are a £3.7m increase in operating surplus to £13.3m (the measure of operating surplus used in the calculation of EBITDA-MRI precludes the movement in the fair value of investment properties) in addition there has been a £3.2 reduction in capitalised major repairs in the year and the operating surplus achieved includes a £0.9m reduction in the gain on disposal of housing properties. A year on year improvement of £7.8m. The £3.7m increase in operating surplus in the year has been achieved despite the inclusion of additional provision in Redwing in the year of £4.2m for mainly fire safety remedial works. With this increase in provision excluded, underlying EBITDA-MRI achieved was 165.6%. The 123.3% achieved compares favourably to the target set for the year of 74.9% and is in line with the 2022/23 benchmark of £125.3%.

Turnover achieved in 2023/24 was £103.8m (2022/23 £76.6m) an increase of £27.2m (35.5%). Operating costs were £90.7m in the year (2022/23 £69.5m) an increase of £21.2m (30.4%). The increase in turnover mainly driven by the permitted increase in rent in the year and the inclusion of a full year's trading by Ecogee, turnover of £17.8m in 2023/24 (2022/23 £1.1m).

EBITDA-MRI is forecast to increase to 149.0%in the year 2024/25 and grow to 159.0% in the year 2026/27.

NB: the above definition is stated as at consolidated level as required by the Regulator of Social Housing. Entity level data is monitored with regards to covenants set by our lenders and is within their 2023/24 target. Interest Cover performance for 2023/24 is compliant with lender covenants.

Operating Margin

Operating margin (overall) increased to 11.3% (from 9.3% 2022/23). Without the non-repeating expenditure referred to above (increase in provision of £4.2m) operating margin overall for the year would have been 15.4%. Operating margin on social housing lettings reduced to 19.0% (from 19.7% 2022/23). Turnover from social housing lettings increased by £3.9m (6.4%) operating costs increased by £3.5m (7.2%) in the year. Reductions in managements cost and impairment being more than offset by the increased in repairs, planned maintenance and major repairs combined expenditure 2023/24 £24.7m (2022/23 £19.0m) a 30.1% increase.

The subsidiaries within the Group are vital to the delivery of our core purpose. In the year under review, their combined financial performance was a loss in the subsidiaries collectively of (£3.9m). (2022/23 loss of (£2.8m)). This consists of a loss of £5.0m in Redwing which included the increased provisions of £4.2m. The other subsidiaries delivered a surplus of £1.1m this stated after gift aid of £1.35m distributed to Regenda and Centre 56. The subsidiaries have sufficient cash and other reserves to continue their work and are not financially supported in any way by either Regenda or Redwing.

Headline Cost Per Property

Outturn performance (social housing lettings) increased within the year by £36 per unit to £4,487 per unit and remains within target. This is below the national median (£4,586) when compared to 2022/23 Global Accounts data.

Total expenditure on capitalised components was £6.9m (£3.2m lower in the year compared to the previous year). The £36 per unit overall increase is largely attributable to the increase in repairs and maintenance costs in the year largely offset by reductions in management costs & the costs of capitalised components in the year.

New Supply

Regenda has a track record in delivering new housing supply and refurbishing homes across a mix of tenures and continues to be a key partner of Homes England achieving significant allocations in the key programmes. We have combined commitments to delivering Homes England (HE) programmes with our own strategic growth objectives ensuring the HE programme supports these objectives. In 2023/24 we handed over 34 new units. New Supply Social units' performance of 0.27%. Twenty shared ownership units at Alexandra Drive were handed over along with 14 Rent to Buy units at St Martins. We continue to build on existing partnerships with local authorities such as Wyre, Wirral, St Helens, Oldham and West Lancashire where we continue to have a significant presence.

Gearing

Gearing at the end of the year was 40.0% (2022/23 41.3%) This is a result of loans at year end of £216m, cash balances of slightly less than £17m and housing tangible assets at cost of £499m. Gearing is forecast to remain constant at 40.0% for the next two years followed by a slight reduction to 38% in 2026/27 remaining comfortably below the 60% covenant upper limit.

Return on Capital Employed

ROCE measures the return on capital employed so expresses the relationship of operating surplus over total assets less current liabilities. It has increased in the year by £3.7m to £13.3m (2022/23 £9.6m). As previously noted, the £3.7m increase in operating surplus in the year has been achieved despite the inclusion of additional provision in Redwing in the year of £4.2m for mainly fire safety remedial works. ROCE achieved in the year was 2.4% (2022/23 1.8%). The sum of total assets less current liabilities was £544.4m (2022/23 £533.2m) an increase of £11.2m. ROCE is forecast at over 3% in 2024/25 and over 4% in 2025/26 and 2026/27.

Additional metrics

The Regulators mandatory metrics are finance and supply based and do not cover the breadth of our objectives, particularly those focussing on outcomes for customers and communities.

To address this, we have supplemented this VFM report with additional metrics including five identified by our involved customers as metrics that matter most to them.

Metric	Actual				Benchmark	
	2021/22	**2022/23**	**2023/24**	**Target 2023/24**	**National median 2022/23***	**Local peer group 2022/23***
Business health						
Operating margin % (social housing lettings only)	22.8%	19.7%	19.03%	21.0%	19.91%	15.27%
Operating margin % (overall)	15.2%	9.3%	11.30%	10.5%	18.65%	11.65%
EBITDA-MRI interest cover %	99%	42.1%	123.3%	74.9%	125.25%	110.95%
Development – capacity and supply						
New supply delivered % (social housing units (SHL))	0.2%	0.02%	0.27%	0.30%	1.28%	1.01%
New supply delivered % (non-social housing units)	0.0%	0.02%	0.0%	0.00%	NA	NA
Gearing %	40.0%	41.3%	40.0%	37%	45.19%	41.5%
Outcomes delivered						
Net promoter score*	+36	+34	+47	+32	+43	+55
Reinvestment	2.4%	3.03%	4.0%	4.20%	6.76%	8.66%
Complaints responded to in target time (Stage 1 – Total)*	N/A	NA%	96.9%	95.0%	**90.7%	**91.1%
Effective asset management						
Return on capital employed (ROCE)	2.4%	1.8%	2.44%	2.4%	2.94%	3.14%
Vacant and available to let (GN/HfOP)	0.25%	0.19%	0.36%	0.6%	**0.57%	**0.33%
Average time to relet a home time (GN/HfOP)*	20.61 days	16.2 days	15.69 days	14.00 days	**35.8 days	**33.42 days
Average void cost (cost to repair and relet and empty home)*	£1,799	£1,854	£2,726	£2,100	**£3,823.08	**£4,158.30

Additional metrics *(continued)*

Operating efficiencies						
Headline social housing cost per unit	£3,958	£4,451	£4,487	£4,752	£4,537.5	£4,520
Income Collection (Cumulative GN/HfOP)	100.9%	99.2%	99.3%	99.8%	**99.5%	**99.32%
Tenancy turnover (GN/HfOP)	7.5%	7.1%	6.1%	7.0%	**6.75%	**6.61%
Tenancies terminating within 12 months*	11.6%	9.3%	7.12%	10%	NA	NA

*metric monitored by Resident Voice Panel as metrics that matter most to customers.
** Benchmark metric includes supported homes, Regenda figures includes just GN and HfOP

Business health

Operating margins are a key measure of financial resilience. Margins across the social housing sector have been constrained in recent years as we face increasing costs. We continue to focus on delivering efficiencies and eliminating waste throughout our services. Our operating margin is slightly below our local peer group 2022/23 (11.65%).

Development capacity and new supply

We have delivered 34 units this year. 20 shared ownership units at Alexandra Drive and 14 rent to buy units at St Martins.

We will deliver 374 new homes over the next 5 years.

Outcomes delivered

Improving customer satisfaction continues to be a priority. Transforming and improving our repairs services is a key area of focus within 2024/25 and we will work with customers to shape service delivery and improve communication.

National benchmark data against the Tenant Satisfaction Measures (TSMs) is not yet available but we have worked closely with similar organisations to consider our performance and how we compare.

Reinvestment in homes increased. this year. Our projected performance reflects our ongoing commitment to the quality and safety of existing homes as well as deliver of new homes.

Operating efficiencies

Headline CPU in the year to March 2024 was £4,487 per social unit.

Rent collection performance continued to improve year on year despite the current operating environment and the cost-of-living crisis facing many customers. We continue to take a proactive, data-led approach to identify customers at risk of rent arrears to offer support. We supported 986 customers to £1.8m in additional benefits and grants owed to them in 2023/34. We also have a hardship fund which supported 2,198 households within the year with food and fuel.

Effective asset management

The return on capital employed (ROCE) metric compares our surplus to the value of properties held on our balance sheet.

The percentage of homes vacant and available to let (which affects our surplus) increased during the year to 0.36% which is below the national average and slightly above the local average.

We have worked to improve the time it takes to let an empty home over recent years. Our performance in 2023/24 of 15.69 days (on average) places us with the top quartile (top 25%) when compared to our peers. This helps to ensure that our homes do not remain empty for too long and improves our surplus.

Tenant Satisfaction Measures (TSMs)

Tenant Satisfaction Measures (TSMs) have been introduced by the Regulator of Social Housing to assess how well social housing landlords in England are doing at providing good quality homes and services. There are 22 TSMs. 12 come from customer surveys and 10 come from information we hold in our systems.

They aim to drive up standards and improve the quality of social housing, ensuring we can be held accountable for the quality of service we provide.

We have been monitoring similar measures for several years. This helps us to understand what matters most to customers, where we are doing things well, and where we need to improve. The findings help to shape our improvement plans for the year ahead.

71.5% of respondents to the TSM survey stated that they are satisfied (fairly or very) with the overall services provided by Regenda. When compared to benchmark data provided by Housemark (221 English landlords) our performance is above the national median of 69.4%.

TSM findings are reviewed by our Residents Voice Panel (RVP) and Risk and Audit Committee on a quarterly basis.

Savings Through Procurement

We have a decentralised model of procurement led by a small central team, providing advice and support to the Procurement Centre of Excellence (a small cross-functional team of champions responsible for driving efficiency through procurement and contract management in their respective areas).

In the period from April 2023 to March 2024, nine contracts were awarded through procurement, of which six generated a total annual savings of £243k (18%) savings against anticipated spend of £1.5m per annum.

This includes (per annum):

New mobile telephony contract:	£60,654	53%
Analytical software to support rent collection/arrears process:	£11,880	12%
Printers lease and consumables:	£46,549	40%
Asbestos surveys contract:	£36,169	15%
Boundary wall construction:	£17,545	18%
Occupational health contract:	£7,202	21%

A spend analysis carried out in May 2024 identified c£228k per annum savings, comprising of c10 procurement exercises to be realised in 2025, and a further £97k per annum savings to be realised in 2026. This will be monitored by the Procurement Team and Centre of Excellence, and through targeted meetings with parties directly involved.

For all procurement activities, we have targets of:
- 10% savings against budget/previous spend for new procurements
- 5% for value engineering or re-negotiation.

These are ambitious targets intended to maximise the value of our supply chain and optimise savings where possible.

We recognise that it will not always be possible to generate savings where the market is moving in an upwards direction and are committed in those instances (and any case) to exploring how we can do things differently. This includes exploring other types of procurement exercises such as liaising with other registered providers to consider economy of scale savings. Whilst we did not find common grounds for procurement projects with others in 2023/24, we continue to monitor this area for future opportunities.

We continue to monitor market trends which may impact our ability to spend, and we can observe that although prices continue to be on the rise the pace has slowed down significantly for electricity, gas and other fuels as well as for other sectors like furniture, household equipment and maintenance whilst costs have grown at a faster pace for transport.

Financial Projections

The Group prepares a 30 year Financial Plan to demonstrate financial viability and support the delivery of its core purpose and long-term strategic objectives. The table below provides a backwards glance of our performance and sets out our financial projections for the next three years across the regulatory value for money metrics.

Metric 1: Reinvestment %
Metric 2 (a): New supply delivered % (social housing units (SHL))
Metric 2 (b): New supply delivered % (non-social housing units)
Metric 3: Gearing %
Metric 4: EBITDA-MRI interest cover %
Metric 5: Headline social housing cost per unit
Metric 6 (a): Operating margin % (social housing lettings only)
Metric 6 (b): Operating margin % (overall)
Metric 7: Return on capital employed (ROCE)

Metric	Actual					Projections		
	2021/22	2022/23	2023/24	Target 2023/24	Bench mark 2022/23*	2024/25	2025/26	2026/27
1	2.4%	3.03%	4.00%	4.20%	6.76%	6.31%	5.58%	4.33%
2 (a)	0.2%	0.02%	0.27%	0.30%	1.28%	0.59%	1.04%	0.35%
2 (b)	0.0%	0.02%	0.0%	0.00%	NA	0.0%	0.0%	0.0%
3	40.0%	41.3%	40.0%	37%	45.19%	40.0%	40.0%	38.0%
4	99%	42.1%	123.3%	74.9%	125.25%	149.0%	153.0%	159.0%
5	£3,958	£4,451	£4,487	£4,752	£4,537.5	£4,713	£4,811	£4,944
6 (a)	22.8%	19.7%	19.03%	21.0%	19.91%	23.4%	31.2%	29.5%
6 (b)	15.2%	9.3%	11.3%	10.5%	18.65%	15.0%	20.1%	19.3%
7	2.4%	1.8%	2.4%	2.4%	2.94%	3.1%	4.2%	4.1%
*Benchmark is National Median 2022/23								

Environmental, Social and Governance (ESG)

We are invested in the communities in which we work and have a long-term interest in seeing them prosper. Much of what we do is aligned to the values of ESG. ESG can help us to measure, demonstrate and communicate our purpose to regenerate places and the impact that we make.

Understanding the positive impact we make will help to improve our services and may provide opportunities for us to secure socially responsible investment in the future. We have implemented the Sustainability Reporting Standard (SRS) which sets out criteria which align with the standards in the United Nations' Sustainable Development Goals, the Global Reporting initiative, and the Sustainability Accounting Standards Board.

Environmental: We will consider how well we are performing to protect and encourage a positive impact on the environment. We are committed to 'making conscious choices which commit to a sustainable future for our people, customers and communities'. Our Environmental Strategy (Board approved April 2022) aims to make sustainability part of who we are, so that we can reduce carbon emissions throughout all our activities, and create better futures for all.

We have identified five strategic goals within our Environmental Strategy:

- Improve the energy efficiency of our homes and tackle fuel poverty for our customers
- Reduce carbon emissions arising from our activities, and increase the use of 'green technology'
- Improve business efficiency, reduce waste and purchase responsibility
- Promote and create training, jobs and opportunities within the 'green economy'
- Develop new homes which are net carbon, making use of responsive technologies

Social: Our Group structure is dedicated to making a positive impact within the communities in which we work. This involves listening and acting on the customer voice, supporting people into employment and training, affordability, security and building safety and quality. Through our Social Value Strategy, we aim to optimise the impact of money we invest to deliver wider social benefits to our communities; providing opportunities for people to enhance their social and economic well-being and reduce the environmental impact of the Group.

We revised our Social Value Strategy in June 2023 and identified the following strategic social value objectives:

- Challenge inequality and create opportunities in education, skills, training, and employment
- Support our neighbourhoods and communities, providing safe, sustainable homes and tenancies
- Protect the environment, improve sustainability, and reduce our carbon footprint
- Improve staff wellbeing and development and promote fair pay and employment practices
- Promote ethical procurement and promotion of inward investment to achieve our social purpose

Governance: this includes how we are governed, our Board membership, our internal structures and financial viability, risk management, and Equality, Diversity and Inclusion (EDI). We have adopted the National Housing Federation Code of Governance (2020) ensuring that we have good governance based on accountability, integrity, openness, and equality and inclusion. By adopting this Code we are committed to ensuring the views of residents are at the heart of the decision making process, that effective measures are in place to keep people safe, and that Board has oversight of risk and thoroughly test the impact of potential risk scenarios on Regenda's future. Our self-assessment against the Code (reported to Board) demonstrates how we achieve this through our:

- Mission and values
- Strategy and delivery
- Board effectiveness
- Control and assurance

Self-assessment against the Sustainability Reporting Standards (SRS) framework

We have implemented the SRS framework and carried out a self-assessment against each criterion contained within it. We have identified some areas for improvement which we are considering as part of our Group Corporate Plan and strategic approach.

Environmental	
Theme name	**Criteria we meet/can evidence**
Climate change	83%
Ecology	50%
Resource management	67%
Strengths	
-Energy Performance Certificate (EPC) data known and plans in place to reach band C by 2030 -New build properties compliant with EPC rating target of band C or above -Policies and procedures in place to cover the safe management and removal of pollutants e.g. Asbestos and mould -Consolidated approach to waste management and recycling. 97.6% waste diverted from landfill.	
Areas for improvement	
- Net Zero strategy being developed for implementation within the next year - Develop 'Greener Development Strategy' - Develop strategy for water management	

Self-assessment against the SRS framework (continued)

Social	
Theme name	**Criteria We Meet/Can Evidence**
Affordability and security	100%
Building safety and quality	100%
Resident voice	100%
Resident support	100%
Place Making	100%
Strengths	
-£89k issued in food and fuel vouchers during 23/24 -Cost of living fund supporting customers with the cost of fuel -Tenant scrutiny of services through Resident Voice Panel -Customer Centric Clinics analyse customer feedback and devise plans to improve services -Compliant with Housing Ombudsman's code of practice -Financial Inclusion/Support team in place providing support to customers to maximise their income via benefit applications	
Areas for improvement	
-Measuring success with community investment activities	

Governance	
Theme name	**Criteria We Meet/Can Evidence**
Structure and governance	100%
Board and trustees	100%
Staff wellbeing	100%
Supply chain management	100%
Strengths	
-Overarching assurance framework that is aligned to the risk management framework -Robust governance structure in place -The Regenda Group is an accredited Real Living Wage Employer -Internal training company provides staff with access to sponsored qualifications -Gender pay gap favourable to national average -EDI Strategy embedded across the Group with EDI training delivered to all staff -Employee Assistance Programme available to all staff -Social activities for staff promoting health and wellbeing -Social Value embedded in tendering process	
Areas for improvement	
-Gender pay reporting -Delivering on the plan to attain G1 rating	

We will continue to embed ESG within procurement activities moving forward in 2024/25 ensuring it is an integral part of our evaluation processes aligned to our core purpose.

Efficiency savings and opportunities 2022-25

A review of our service standards in 2022 identified c.£9.67m savings opportunities that could be realised over three years through to 2025, aligned to our core purpose and the objectives of our Corporate Plan.

It is a particularly challenging time for the Group and the sector as we face high inflation and interest rates, regulatory change, and the need to implement substantial building safety and environmental efficiency measures, all of which present significant costs and financial pressures on our business plan, operating margin, and interest cover covenants.

Through our revised Group Corporate Plan "Impact 2025", our purpose remains to regenerate places, and our vision is to optimise our impact in doing so. To achieve this, we must strengthen our foundations to continue to ensure we are viable in the long-term.

In response to this, we carried out a review of our services and identified a range of potential savings which can be categorised as follows:

a) **Budgetary** – these savings contribute to a known value and can be taken out of the business with relative speed. Key examples include vacant posts/staffing changes and discretionary spend.

b) **Deferral/transfer** – these savings relate to the deferral or transfer of key projects, activities or assets which will positively impact the business plan/operating margin/loan covenants in the period(s) in which they occur (or ongoing in the case of transfer). Key examples include development schemes, capital scheme expenditure, and the potential transfer of stock within the Group.

c) **Operating model and procurement** – these savings relate to our operating model, processes and procurement. The savings are estimates and will in some cases depend on the prevailing market conditions, and speed of implementation will be subject to resources and capacity. Key examples include our repairs pricing and delivery model, our approach to digital push/nudge, procurement of goods and services. In 2023/24, we achieved procurement savings of £243k and consultancy savings of £168k. Following customer feedback, we expanded the scope of the operating model review and we are now undertaking a full repairs transformation project, which is the reason for the delay in achieving the operating model savings in 2023/24. The revised scope has been approved by Board and is in line with our Group Corporate Plan.

d) **Strategic** – these savings require further exploration and strategic direction regarding potential impact, savings, and timescales. Key examples include the potential to consolidate, transfer premises or terminate leases. These will be explored in conjunction with the outcomes from our hybrid working approach, and relevant notice periods. In 2023/24 savings in this area related to the MPR asset disposal which took place in May 2023 and cover any associated cost savings.

Efficiency savings and opportunities 2022-25 (continued)

Savings Category	Savings target by year (Regenda Homes only)			Total	Impact to customer
	2022/23	2023/24	2024 onwards		
	£	£	£	£	
Budgetary	1.58m	1.99m	1.97m	**5.54m**	**Medium** – Less staff resource could delay response times and limit discretionary activities.
Deferral or transfer	1.22m	-	-	**1.22m**	**Low -** Completion/ move dates may be pushed out, condition of communal areas/ schemes may be affected, and sale/ transfer of stock may impact customers subject to tenancy/ void status.
Operating model and procurement	0.21m	1.16m	0.96m	**2.33m**	**High -** The new delivery model(s) will aim to increase our efficiency and effectiveness for our customers and our staff, focussing on what generates the greatest impact and value. Changes will be made with our customer at the centre – focussing on their satisfaction. We recognise however that change can be unsettling and takes time to bed in. We therefore anticipate an initial dip in satisfaction before it begins to increase (as reflected in our Group Corporate Plan targets).
Strategic	-	0.34m	0.24m	**0.58m**	**Low** - Limited customer impact subject to decisions around premises.
Total	**3.02m**	**3.48m**	**3.18m**	**9.67m**	
Growth		*66k*	*66k*	*132k*	

2023/24 savings achieved against target:

Budgetary: In 2023/24 we achieved budgetary savings of c.£1.98m against our target of £1.97m. This is made up of savings within staffing costs (c£576,000), administration costs (c£104,000) and the savings achieved following the Board strategic decision to review plans relating to the pension transfer (£1.3m).

Deferral/transfer: We anticipated savings of £1.1m within 2022/23 (Regenda Homes only) through the transfer of Trafford Hall. Realisation of this saving was delayed, and we did not therefore meet target within 2022/23. Transfer was however completed August 2023 and has therefore been realised in financial year 2023/24.

Operating model/Procurement: In 2023/24, we achieved procurement savings of £243k and consultancy savings of £168k. Following customer feedback, we expanded the scope of the operating model review and we are now undertaking a full repairs transformation project, which is the reason for the delay in achieving the operating model savings in 2023/24. The revised scope has been approved by Board and is in line with our Group Corporate Plan.

Strategic: 2023/24 savings in this area related to the MPR asset disposal which took place in May 2023 and cover any associated cost savings.

Risks and uncertainties

The Group's key strategic risks are considered below.

Key risk area Strategic Risk reference	**Comment**
Financial SR01.2 SR05	• The impact of welfare reforms continue to be a significant risk to the Group and the sector. Whilst dedicated resources have been increased to support both our tenants and the business, this is an area that will continue to be monitored very closely, particularly as universal credit continues to be introduced more widely. This monitoring will continue to be a focus for the business as the wider economic impact of the pandemic is being realised.
SR05	• The implications of the cost-of-living increases, rising inflation and energy prices on both customers and staff have been and continue to be a focus for the Group. This makes managing bad debts a key priority together with ensuring support is available to customers and staff suffering hardship.
SR06	• The impact of reduced grant funding for future developments, increased material costs and the instability of developers have been factored into • financial plans and all proposed projects are subject to appropriate scrutiny.
Staffing SR10	• The Group has introduced hybrid working arrangements in order to attract and retain key talent and mitigate the impact of stressors on staff wellbeing. Staff numbers have been impacted throughout the year, but this has been managed to ensure services are not impacted.
Property Management SR03	• There has been an unprecedented increase in the volume of repairs being received which has resulted in a review of service standards in this area. This has been communicated to customers and will remain a key focus for the Group over the next 12 months.
Governance SR01.1	• There is a continuous review of the Group's governance arrangements in order to manage the Group’s diversification and to ensure compliance with regulatory and statutory requirements. • Our selective use of expert third party advisors and commitment to appraising and training board members and staff ensure that the Group is further supported when regulatory and legislative changes occur.
SR01.3	• A key focus this year has continued to be on succession planning which has led to the appointment of several new Non-Executive Directors. Responding to the requirements of the new consumer standards.

Risks and uncertainties (continued)

Key risk area Strategic Risk reference	**Comment**
Environment SR02	• To combat the risk of our inability to respond to the environmental and sustainability agenda, the Group has committed to delivering against its Environmental Strategy.
Technology SR09.1 SR09.2	• The Group takes seriously the growing threat posed to global cyber security and the need for robust cyber security and data management. • The Group is accredited with Cyber Essentials Plus and will continue operate all the internal controls required to maintain this accreditation.
Economic SR08 SR10	• In light of cost increases such as increased NI contributions, fire safety costs, environmental works, increases in repair volumes and material costs, the Group has continued to take steps to reduce its cost base, whilst continuing to focus on improving performance. • The risk of increasing pension liabilities is continually considered, and professional actuarial advice is taken as necessary, including active monitoring of scheme deficits where separately identified for the Group.

Financial performance and position

The Group's statement of comprehensive income and statement of financial position are shown on pages 34-36. The following paragraphs highlight key features of the Group's financial position at 31 March 2024.

Accounting policies

The Group's principal accounting policies are set out on pages 39-48 of the financial statements.

The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of interest and development administration costs, housing property depreciation, and treatment of shared ownership properties.

Housing properties

As at 31 March 2024, the Group owned and managed 13,042 housing properties and office and retail units (2023- 13,179). The properties were carried in the Statement of Financial Position at cost after depreciation of £531m (2023 - £524m). Investment in housing properties during the year was funded through a mixture of cash generated from operating activities and loan finance.

Pension costs

The Group continued to repay the deficit on past service costs for the SHPS scheme in the year and accounts for the scheme as a defined benefit scheme. Contributions paid are included in the pension costs disclosure in note 8 and further detail regarding the scheme can be found in note 31.

Capital structure and treasury policy

Details of the Group's borrowings and the related maturity profile are shown in note 28 to the financial statements. The Group borrows, principally from banks and building societies, at both fixed and floating rates of interest. The Group's target is to keep at least 70% of its borrowings at fixed rates of interest. At the year-end 76.2% (2023 – 86.7%) of the Group's borrowings were at fixed rates. The fixed rates of interest range from 3.0% through to a small amount of historical debt with interest of 10.4%, the current market long term fixed rates are around 4.25%. The Group's lending agreements require compliance with certain financial and non-financial covenants. The Group's position is monitored on an ongoing basis and reported to the Board each quarter. Recent reports confirmed that the group was compliant with its loan covenants at the balance sheet date and the Board expects to remain compliant in the foreseeable future.

The Group borrows only in sterling and so is not exposed to currency risk.

Future developments

A key influence on the timing of borrowings is the rate at which development and sales activity takes place. The Board has approved plans to spend c£24 million during the next financial year on development growth activity. This will be partly funded through sales income and social housing grant, with the balance through the Group's existing cash balances and loan facilities. Loan facilities as at 31 March 2024 of £65 million are available under existing arrangements in addition to the Group's investment and cash balances.

Statement of compliance

In preparing this strategic report, the Board has followed the principles set out in the UK Generally Accepted Accounting Principles (UK GAAP) including FRS102 The Financial Reporting Standard appropriate in the UK and Republic of Ireland, 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.

This strategic report was approved by the Board on 18th September 2024 and signed on its behalf by:

Lesley Dixon

Signer ID: 4EQGNHT2W5...

L Dixon
Chair

The Board of Regenda Limited ("the Association") presents its report, together with the audited financial statements of the Association and The Regenda Group ("the Group"), for the year ended 31 March 2024.

Group structure and principal activities

The Association is a public benefit entity administered by a voluntary board. The Group's and Association's principal activities are the development and management of social housing. The Group consists of the Association and the following active subsidiaries:

- ***Redwing Living Limited*** – a not for profit registered provider, established for over 30 years and offers private rented properties, leasehold and apartment block management, shared ownership and outright sales. The company also owns and manages commercial properties.
- ***M&Y Maintenance & Construction Limited*** – provides responsive repairs, planned works renewables and build services across the North West.
- ***McDonald Property Rentals Limited*** – part of Redwing Living, McDonald Property Rentals is the Fylde's leading lettings agency and offers a high quality, personal service to landlords and tenants. The Company sold its assets in May 2023 and has not traded since then.
- ***Petrus Community Limited*** – Petrus is a registered charity which has been providing supported housing and services to homeless people since 1972.
- ***The Learning Foundry Limited*** - an education and training provider.
- ***Centre 56 Limited*** - a childcare provider, based in Liverpool, for women and children who have suffered, or are at risk of suffering domestic abuse.
- ***National Communities Resource Centre Limited (NCRC)*** - Joined the group in 2020. NCRC has over twenty-five years' experience of delivering high quality, action-oriented training. Training typically falls into three categories: building resilience, engaging your community, and involving and empowering residents.
- ***Ecogee Limited –*** an energy and construction specialist company providing green energy solutions across the North West.
- ***Regenda Developments Limited –*** undertakes new development work for Regenda Limited, primarily in the field of social housing.

Business review

Details of the Group's performance for the year and future plans are set out in the Strategic Report.

Operating surplus achieved in the year is £13.5m (£9.2m 2023). The previous year's operating surplus was adversely affected by one off expenditures related to redundancy and restructuring, rent refunds and provision for additional works at Caton. The £13.5m operating surplus has been achieved despite the inclusion of £4.2m additional provision in the year in respect of additional required works at Preston Point, 9a Lydia Ann and 17 Lydia Ann. Without the non-repeating expenditure referred to above (increase in provision of £4.2m) operating surplus for the year would have been £17.7m.

Accounting adjustments recognised in Other Comprehensive Income reduced the surplus in year by £1.7m. The adjustment wholly relates to actuarial loss in respect of the SHPS pension scheme which are outlined in note 32 of the financial statements. The loss was created from the effects of changes in the demographic and financial assumptions underlying the present value of the defined benefit obligation. Turnover has increased in the year by £27.2m driven by Ecogee's turnover being included for the full financial year in this year's results, as Ecogee joined the group in the last month of the previous financial year. Operating costs have increased by £21m driven by Ecogee's costs being included for the full financial year and the £3.58m provision for remedial fire prevention works at Preston Point, 9a and 17 Lydia Ann Street.

Housing property assets

Details of changes to the Group's housing property assets are shown in note 14 to the financial statements.

Reserves

Reserves After total comprehensive income of £2.8 million in the year (2023 – losses of £1.5 million) the Group reserves amounted to £93.0 million (2023 - £90.2 million).

Donations

The Group made charitable donations of £Nil to the Fabric District in the year (2023 - £547) and made no political donations (2023 - £Nil) during the year.

Payment of creditors

The Group's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Employees

The Group is committed to developing a culture in which equality and diversity is integral to all our activities, including the recruitment and development of staff. The Group aims to achieve an inclusive culture that respects and values differences and eliminates discrimination in all areas.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are considered when decisions are made that are likely to affect their interests.

The Group shares information on its objectives, progress and activities through team meetings and the circulation of regular bulletins.

The Group undertakes an annual staff survey. In the latest survey we achieved three-star (world class) status and were named within the Top 100 Best Large Companies to Work For.

Gender Pay Gap

As part of our commitment to Equality, Diversity, and Inclusion we recognise the importance of collecting data and effectively analysing our gender pay gap, to identify areas of concern and guide effective action.

Since April 2017, all organisations in the UK with more than 250 employees have been required to publish details of their gender pay gap. The difference in average female earnings compared to average male earnings.

For Regenda Limited, based on data from 5 April 2023, these figures are:

- Mean gender pay gap = 13.2%
- Median gender pay gap = 4.9%
- Mean bonus gender pay gap = not applicable
- Median bonus gender pay gap = not applicable
- Percentage who received a bonus = 0% (not applicable)

The proportion of male and females in each pay quartile:

- Lower quartile = 26.4% male and 73.6% female
- Lower middle quartile = 27.9% male and 72.1% female
- Upper middle quartile = 29.9% male and 70.1% female
- Upper quartile = 37.2% male and 62.8% female

For comparison, the workforce composition is 29% male, 71% female overall.

Gender Pay Gap *(continued)*

The median gender pay gap across Regenda Limited on 5 April 2023 was 4.9%, which represents a slight increase when compared to last year's 3.8% gap, but continues to compare favourably to the national average gender pay gap of 14.3%.

One remaining driver of our gender pay gap is a slight under-representation of women in the upper pay quartile. Whilst it is pleasing to see a significant increase in female representation in this quartile over recent years, including a further improvement this year, it remains the one area where females are under-represented when compared to the organisation at large.

Regenda is committed to supporting and promoting the principles of Equality, Diversity and Inclusion (ED&I). This commitment is embraced by our Executive Team and Group Board. It informs all our activities and their impact on our customers, colleagues and other stakeholders.

Our EDI Strategy sets out a purposeful and coordinated approach to improving equality, diversity and inclusion for our customers and workforce. Our EDI Ambassadors Group is driving our EDI Strategy forward across the organisation, with nominated champions at senior executive and Board level.

A key element of this is to improve our ability to collect and effectively analyse key EDI metrics, to identify issues and inform effective action. Reporting on the gender pay gap is a fundamental part of this approach, and our People Services team have commenced work on developing an improved suite of equality and diversity metrics, including recruitment and promotion related indicators, enabling better identification of any barriers to recruiting a more diverse workforce.

This year, we will have also invested in an organisation-wide EDI training programme which has raised awareness of equality issues, worked to challenge unconscious bias, and created an environment where staff and customers are able to thrive, equally, regardless of their background or status.

Our development and mentoring programme for aspiring leaders (LEAD) continues to help women (and men) develop the skills, confidence and aspiration to move into more senior roles, and provides access to mentoring from senior female role models.

To ensure our pay and reward offer is objective, fair and transparent we have also conducted an organisation-wide salary benchmarking exercise in recent months.

We raise aspirations, open up the world of work and challenge stereotypes in schools via Positive Footprints, whilst regularly showcasing women in non-typical roles (using some of our own women leaders as examples). We also create apprenticeship opportunities and through our work with schools, partners and our subsidiary training company, The Learning Foundry, to help promote aspiration, work placements and entry level roles to a diverse potential future workforce.

Regenda is committed to taking effective action that helps reduce our gender pay gap and will keep our workforce, Board and stakeholders regularly updated with progress towards achieving this.

Health and safety

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

Board members and executive directors

Board members are drawn from a wide background bringing together a wealth of diverse and complementary skills and experience. The Board members who served during the year ended 31 March 2024 and subsequently were as follows:

P Roberts (Chair) Resigned 21 September 23

M Birkett

S Bonnette

T Jones

J Wood

L Dixon (Appointed Chair 21 September 2023)

M Pierre

R Cressey

N Hibbert

V Gandhi (appointed 21 September 2023)

S Stubbs (appointed 21 September 2023)

G Pink (appointed 21 September 2023)

S Parr (appointed 21 September 2023)

The Association employs a team of executive directors who provide Group wide executive level management support to all Group members.

The Association's executive directors who served during the year were as follows:

M Birkett	Group Chief Executive
A Russell	Executive Director - Resources
S Harrison	Executive Director - Customer Services
G Kelly	Managing Director - M&Y Maintenance & Construction & Ecogee
L Burrows	Managing Director – NCRC & Centre 56
A Andani	Executive Director – Property

Executive directors hold no interest in the Association's shares or in the shares of any Group member. They act as directors within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Further details of executive directors' remuneration are disclosed under note 8.

Code of governance

The Group complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 and the supporting Code of Conduct 2022 both of which have been adopted by the Parent Board and is applicable to all Group organisations.

Resident involvement

The Group actively encourages residents' involvement in decision-making by promoting mechanisms of resident involvement.

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the annual report and financial statements.

Key elements of the internal control framework include:

- regular reporting to the Group's Boards on strategic objectives, financial and operating targets and outcomes including loan covenant compliance and liquidity requirements; health & safety compliance; complaints monitoring;
- a comprehensive approach to treasury management including an approved annual treasury strategy, policy and practices which are subject to specialist independent review at a Group level on an annual basis;
- robust strategic and business planning processes, with a group corporate plan, detailed financial plan, budgets and forecasts that are stress tested against a range of possible scenarios with recovery plans to mitigate the impact should these crystallise;
- an assets & liabilities register that is regularly reviewed to ensure that we understand our housing assets and security position and boards and management have swift access to this information in decision making and risk management;
- a series of self-assessments to give assurance that the relevant members of the Group are meeting the requirements set out in our adopted Code of Governance (National Housing Federation 2020), the Regulator of Social Housing's Regulatory Framework and the Housing Ombudsman Complaint Code, to ensure any areas of non-compliance are reported;
- a risk management framework that clearly defines management responsibilities for the identification, evaluation and control of significant risks. There is a continual review of risks across the Group that are then reported to the Risk & Audit Committee; the Senior Management Team have provided assurance that they understand and have reviewed the key risks that impact their areas of the business and that they are satisfied the right levels of internal controls are in place;
- established financial regulations including authorisation and appraisal procedures for all significant new initiatives and investment commitments;
- governance related policies including a Speak Up Policy;
- a governance framework that includes Board approved terms of reference and delegated authorities for Group Committees.
- recruitment, management and retention of board members, management and staff with the skills and competencies to ensure effective governance and management; and
- an annual programme of internal audit reviews that are set and delivered under a risk-based methodology;

Internal controls assurance (continued)

- audit recommendations are tracked by the Risk & Audit Committee to ensure they are implemented within the agreed timescales;

- a series of property compliance audits have been scheduled to be undertaken by the Group's Health and Safety Team in order to provide an assessment of the extent to which the Group can demonstrate that the current management and monitoring arrangements for the identified compliance areas are fit for purpose, comply with current legislative requirements and housing best practice and that delivery of the service is in accordance with the written policies and procedures currently in place.

The Board delegates authority to review the effectiveness of the systems of internal control to the Group's Risk and Audit Committee. The Board receives minutes of the Group's Risk and Audit Committee meetings.

The Group's Risk and Audit Committee has received the Director of Governance's annual review of the effectiveness of the system of internal control for the Group and the annual report of the internal auditor and has reported its findings to the Association's Board.

Having reviewed those reports and after receiving the view of the Risk and Audit Committee, the Board has concluded that the internal controls in operation have remained effective during the period under review.

Regulatory framework

In line with the Regulator of Social Housing's requirements under the Regulatory Framework, the Regenda Group confirms full compliance with the Governance & Financial Viability Standard for the year ended 31 March 2024 and up to the date of this report.

General data protection regulation (GDPR)

GDPR came into force on 25 May 2019 and the Regenda Group continues to comply with the legal requirements set out in this new legislation. A full compliance report is presented to the Group's Risk and Audit Committee on an annual basis.

Modern slavery act 2015

The Regenda Group complies with the requirements to publish a compliance statement relating to this legislation.

Going Concern

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board originally approved the Group's 2024/25 budget in March 2024 with the aim of adopting the approved budget as the base for the thirty-year business plan which was presented to the Board in May 2024

The Board were presented with a range of scenarios and stress tests to fully understand the potential impact on the business plan, including significant reductions in rental income collected and changes to key assumptions, such as interest and inflation rates. Periodic reviews of the business plan are scheduled for the coming year to allow the Board and Executive Team to make any necessary changes and continue to deliver outstanding services in the safest way possible whilst following Government guidelines.

At 31st March 2024, the Group had in place loan facilities of £278.7m (2023 £266.8m), which included £85m of bank funded revolving credit facilities of which £65m was undrawn. Which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's Day to day operations. The Group also has a long-term business plan that demonstrates it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

Annual general meeting

The Report of the Board will be received at the annual general meeting, to be held on 19 September 2024 at The Foundry, 42 Henry Street, Liverpool, L1 5AY.

Auditor

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

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

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

The Report of the Board was approved by the Board on 18th September 2024 and signed on its behalf by:

Lesley Dixon

Signer ID: 4EQGNHT2W5...

L Dixon

Chair

Statement of responsibilities of the Board for the report and financial statements for the year ended 31 March 2024

The board members are ultimately 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 and regulation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

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

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

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

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

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 Regenda Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in equity, the consolidated cash flow statement 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.

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 Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society'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 board members responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the 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 those charged with governance; 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 FRS102 and UK Law & Tax Legislation.

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 the health and 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 financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:
- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition of non-rental income around year end.

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
- Selecting a sample of other income around the year end and assessing whether the income has been recognised in the correct period.

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 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 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
829727ECC12041D...

Hamid Ghafoor (Senior Statutory Auditor)
BDO LLP
Statutory Auditor
Eden Building, Irwell Street, Manchester

Date: 18th September 2024

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

Consolidated and Association statement of comprehensive income for the year ended 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Turnover	4	**103,803**	76,616	**66,246**	60,836
Cost of sales	4	**(1,422)**	(7)	**(1,478)**	(7)
Operating costs	4	**(90,651)**	(69,500)	**(49,663)**	(49,866)
Gains on revalued investment properties	15	**208**	(283)	**85**	(188)
Surplus on sale of housing properties	4,10	**1,555**	2,436	**2,155**	1,832
Operating surplus	4,7	**13,493**	9,262	**17,345**	12,607
Interest receivable and other income	11	**263**	81	**101**	16
Interest payable and similar charges	12	**(9,735)**	(9,661)	**(10,389)**	(9,948)
SHPS Pension net interest	32	**(314)**	(175)	**(314)**	(175)
Gift aid receivable	39	**-**	-	**1,000**	208
Surplus/(deficit) on ordinary activities before taxation		**3,707**	(493)	**7,743**	2,708
Taxation on surplus/(deficit) on ordinary activities	13	**816**	714	**-**	-
Surplus for the year		**4,523**	221	**7,743**	2,708
Other comprehensive income					
Actuarial loss in respect of pension schemes	32	**(1,705)**	(1,718)	**(1,705)**	(1,718)
Total comprehensive income/(expense) for the year		**2,818**	(1,497)	**6,038**	990

The consolidated and association's results relate wholly to continuing activities.

The financial statements were approved by the Board on 18th September 2024 and signed on its behalf by:

Lesley Dixon
Signer ID: 4EQGNHT2W5...
L Dixon
Chair

Michael Birkett
Signer ID: NAJ0SJQD2N...
M Birkett
Board member

Signer ID: IQCAODL85W...
J Vincent
Secretary

The notes on page 39 to 92 form part of these financial statements.

Consolidated and Association statements of financial position at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Tangible fixed assets					
Social and non-social properties	14	**499,259**	492,135	**486,112**	476,743
Investment properties	15	**31,483**	31,423	**22,625**	24,010
		530,742	523,558	**508,737**	500,753
Other tangible fixed assets	16	**10,202**	10,135	**6,070**	6,297
Goodwill	18	**4,405**	4,894	**-**	-
Other intangible fixed assets	17	**143**	68	**-**	-
Investments in subsidiaries	19	**-**	-	**8,381**	8,476
Fixed asset investment	21	**473**	407	**-**	-
		545,965	539,062	**523,188**	515,526
Current assets					
Properties held for sale	22	**295**	1,656	**295**	1,656
Trade and other debtors	24	**14,477**	11,460	**5,643**	4,654
Stocks	23	**186**	244	**-**	-
Cash at bank and in hand	25	**16,866**	11,936	**6,810**	4,530
		31,824	25,296	**12,748**	10,840
Creditors: amounts falling due within one year	26	**(32,701)**	(31,182)	**(44,032)**	(46,088)
Net current liabilities		**(877)**	(5,886)	**(31,284)**	(35,248)
Total assets less current liabilities		**545,088**	533,176	**491,904**	480,278
Creditors: amounts falling due after more than one year	27	**440,346**	434,373	**408,482**	403,121
Provisions for liabilities	28	**4,203**	1,309	**-**	-
Net pension liability	32	**7,559**	7,332	**7,559**	7,332
		452,108	443,014	**416,041**	410,453

Consolidated and Association statements of financial position at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Capital and reserves					
Non-equity share capital	33	**-**	-	**-**	-
Restricted reserve	34	**1,396**	1,377	**1,361**	1,361
Expendable endowments	34	**115**	111	**-**	-
Revenue reserve	34	**91,469**	88,674	**74,502**	68,464
Group's/Association's funds		**92,980**	90,162	**75,863**	69,825
Total liabilities and funds		**545,088**	533,176	**491,904**	480,278

The financial statements were approved by the Board on 18th September 2024 and signed on its behalf by:

Lesley Dixon
Signer ID: 4EQGNHT2W5...
L Dixon
Chair

Michael Birkett
Signer ID: NAJ0SJQD2N...
M Birkett
Board member

Signer ID: IQCAODL85W...
J Vincent
Secretary

The notes on page 39 to 92 form part of these financial statements.

Consolidated and Association statements of changes in reserves for the year ended 31 March 2024

Group

	Note	Endowment reserve £'000	Restricted reserves £'000	Revenue reserve £'000	Total £'000
At 1 April 2022		110	1,371	90,178	91,659
Surplus for the year		1	6	214	221
Actuarial loss relating to pension scheme	32	-	-	(1,718)	(1,718)
At 1 April 2023		**111**	**1,377**	**88,674**	**90,162**
Surplus for the year		4	19	4,500	4,523
Actuarial loss relating to pension scheme	32	-	-	(1,705)	(1,705)
At 31 March 2024		**115**	**1,396**	**91,469**	**92,980**

Association

	Note	Endowment reserve £'000	Restricted reserves £'000	Revenue reserve £'000	Total £'000
At 1 April 2021		-	1,361	67,474	68,835
Surplus for the year		-	-	2,708	2,708
Actuarial loss relating to pension scheme	32	-	-	(1,718)	(1,718)
At 1 April 2023		**-**	**1,361**	**68,464**	**69,825**
Surplus for the year		-	-	7,743	7,743
Actuarial loss relating to pension scheme	32	-	-	(1,705)	(1,705)
At 31 March 2024		**-**	**1,361**	**74,502**	**75,863**

The notes on page 39 to 92 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2024

	Note	**2024** **£'000**	2023 £'000
Net cash generated from operating activities	38	**22,878**	15,158
Cash flow used in investing activities			
Purchase of tangible fixed assets		**(1,161)**	(2,890)
Acquisition and construction of properties		**(19,676)**	(16,467)
Proceeds from sale of tangible fixed assets - housing		**6,337**	6,141
Proceeds from sale of tangible fixed assets - other		**14**	315
Grants received		**5,247**	2,780
Interest received		**263**	81
Net cash outflow on acquisition of subsidiary		**-**	(1,986)
Purchase of fixed asset investments		**-**	(397)
Cash inflow on disposal of trade and assets		**149**	-
Net cash outflow used in investing activities		**(8,827)**	(12,423)
Cash flow used in financing activities			
Interest paid		**(10,693)**	(9,713)
New secured loans		**20,000**	10,000
Debt issue costs incurred		**(275)**	-
Repayment of borrowings		**(18,153)**	(4,585)
Net cash used in from financing activities		**(9,121)**	(4,298)
Net change in cash and cash equivalents		**4,930**	(1,563)
Cash and cash equivalents at beginning of year		**11,936**	13,499
Cash and cash equivalents at end of the year		**16,866**	11,936

Net debt reconciliation

	2023 £'000	Cash flows £'000	Non-cash flows £'000	**2024** **£'000**
Cash at bank and in hand	11,936	4,930	-	**16,866**
Bank loans (including issue costs)	(215,227)	(1,572)	1,168	**(215,631)**
Net debt	(203,291)	3,358	1,168	**(198,765)**

The notes on page 39 to 92 form part of these financial statements.

1 Legal status

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

2 Accounting policies

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Regenda Limited includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers 2018", the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

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

The financial statements are presented in Sterling (£) and rounded to the neared thousand pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (note 3).

Basis of consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2024.

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 so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

2 Accounting policies *(continued)*

Disclosure exemptions

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent Association;
- Disclosures in respect of the parent Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Going concern

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board originally approved the Group's 2024/25 budget in March 2024 with the aim of adopting the approved budget as the base for the thirty-year business plan which was presented to the Board in May 2024.

The Board were presented with a range of scenarios and stress tests to fully understand the potential impact on the business plan, including significant reductions in rental income collected and changes to key assumptions, such as interest and inflation. Periodic reviews of the business plan are scheduled for the coming year to allow the Board and Executive Team to make any necessary changes and continue to deliver outstanding services in the safest way possible whilst following Government guidelines.

At 31st March 2024, the Group had in place loan facilities of £278.7m (2023 £266.8m), which included £85m of bank funded revolving credit facilities of which £65m was undrawn. Which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's Day to day operations. The Group also has a long-term business plan that demonstrates it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

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 and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point where properties under development reach practical completion or otherwise become available for letting, net of any voids. 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. For other services supplied by group companies, turnover represents net invoiced sales of services excluding value added tax except in respect of service contracts where turnover is recognised when the company obtains the right to consideration. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

2 Accounting policies *(continued)*

Taxation

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

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 the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses form a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:
- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax relating to investment property that is measured at fair value 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 of the economic benefits embodied in the property over time.

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

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in income and expenditure, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

2 Accounting policies *(continued)*

Value added tax

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 Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

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

- interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

- a fair amount of interest on borrowings of the association as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to income and expenditure in the year.

Goodwill

Upon the acquisition of a subsidiary, goodwill is initially measured as the excess of the cost of the business combination over the fair value of the net identifiable assets, liabilities, and contingent assets.

After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. An estimate An estimate of the useful life of the Goodwill will be made at acquisition and the Goodwill be amortised on a systematic basis over that life.

As part of the annual impairment review process, the value of goodwill is compared with the recoverable amount of the asset. In the event that the value of the goodwill is found to be less than the recoverable amount, the value of the impairment will be recognised in the accounts.

The goodwill arising upon the acquisition of Ecogee Limited on 3 March 2024 is amortised on a straight-line basis over its useful economic life which was considered to be 10 years. This balance will be disposed of once fully amortised.

Change in accounting estimate in relation to useful economic life of goodwill

During the year ending 31 March 2024 the company changed its estimate of the useful economic life of goodwill on the acquisition of Ecogee from 5 years to 10 years. This is applied prospectively in line with FRS102, however as no amortisation was charged in the prior year, this would have no impact retrospectively. The impact of this change in a reduction of goodwill amortisation in the current period of £490k. This has therefore resulted in an increase in the surplus and an increase in the net book value of goodwill and of net book assets overall in the current period by the same amount.

2 Accounting policies *(continued)*

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Supported housing managed by agencies

Social housing capital grants are claimed by the Group as developer and owner of the property and included in the consolidated statement of financial position. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Group and its managing agents and on whether the Group carries the financial risk.

Where the Group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all of the project's income and expenditure is included in the Group's income and expenditure account.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

Social housing and non-social housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available to rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

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

2 Accounting policies *(continued)*

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities. Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the Group is required to recycle these proceeds and recognise them as a liability.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

Structure	1.0%
Roofs	2.0%
Kitchens	5.0%
Bathrooms	3.3%
Boilers	6.6%
Central Heating	3.3%
Windows	3.3%

2 Accounting policies *(continued)*

Depreciation of housing properties *(continued)*

Freehold land is not depreciated.

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

Housing properties in the course of construction are stated at cost and not depreciated.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal terms used for other assets are:

Leasehold offices	-	100 years
Furniture, fixtures and fittings	-	10 years
Computers and office equipment	-	2 to 8 years
Motor vehicles	-	4 years
Scheme assets	-	4 to 25 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	3 years

Investment Properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year-end, with changes in fair value recognised in income and expenditure.

2 Accounting policies *(continued)*

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases. Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rental payments under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Properties held for sale

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

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. Basic financial instruments are recognised initially at fair value and subsequently at amortised historic cost.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2 Accounting policies *(continued)*

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Pensions

The group participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). The scheme assets and liabilities have been separately identified for each employer, and the group has now been able to account for the scheme as a defined benefit scheme.

Under 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. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

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 the obligation.

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

Where the effect of the time value of money is material, the amount is expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate.

The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Fire safety remediation works include fire risk assessment of external walls (FRAEW), cladding remediation and a range of fire safety mitigation measures which include waking watch and installation of fire safety equipment. Works to Redwing/Regenda owned properties are recognised as capital expenditure where permitted by accounting policy. For leaseholder properties Redwing/Regenda recognise the expenditure in income and expenditure. Regenda/Redwing complies with all legislation for fire safety including but not limited to The Building Safety Act 2022, The Regulatory Reform (Fire Safety) Order 2005, The Fire Safety Act 2021. The Fire Safety (England) Regulations 2022.

2 Accounting policies *(continued)*

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Reserves

The group establishes restricted reserves for specific purposes where their use is subject to external restrictions. Included within this figure are a major repairs reserve and a sinking fund in relation to the Mountcroft scheme. Restricted reserves relate to Gift Aid reserves which have been carried forward since the entity, Regenda Limited, received was registered under the Co-operative and Community Benefit Societies Act in 2011. The movements in the year relate to movements in the reserves restricted within the subsidiary charities, which are restricted in for various reasons in line with the Charities' objectives.

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

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

Bad debt provision - Bad debts are provided for in line with the group's policy. This includes a judgement as to the recoverability of certain debts, including tenant rental debtors. This is also monitored in the group's management accounts. Please refer to note 23 for further detail.

Investment property valuations - Commercial properties are valued each year by externally appointed valuers and their market value reflected in the financial statements. Please refer to note 15 for further detail.

Impairment

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the estimated recoverable amount. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

At Regenda, investments in subsidiaries are measured at cost less accumulated impairment. If evidence from internal financial reporting indicates that the economic performance of the asset was, or will be, worse than expected this will trigger an impairment of its carrying value.

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

Capitalisation of property development costs

Distinguishing the point at which the project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required. These costs will include an element of staff management time and the apportionment of these is monitored regularly to ensure consistency over costs charged to particular schemes.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

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

Defined benefit pension scheme assumptions

Pension figures in these accounts are prepared by independent actuaries. In preparing the figures the actuaries use a number of judgements based on the latest available financial and actuarial information available.

Provisions

An original provision of £1.3m was provided for defect works on 30 properties at Hornby Road, Caton following the collapse of the house builder Mulbury Homes Ltd, leaving Redwing liable for the works as the developer. The scope of works covers external defects including cladding replacement and rendering, window detailing and the movement of electric charging points, with the provision also providing for all enabling and access costs that go along with this such as scaffolding. A detailed analysis of the total cost involved, by element of repair has been produced by M&Y. An additional £615k provision has been provided in the year in respect of additional required works at the Caton site.

In addition to this provision £3.58m has been provided for in the year for remedial fire prevention works at Preston Point, 9a and 17 Lydia Ann Street. Management are required to decide if a constructive or legal obligation exists at the reporting date that requires a provision. The impact of the 2023/24 assessment is disclosed in note 28 and concludes that a constructive obligation exists at the reporting date where work has stated on site but incomplete at the year end.

4 Turnover, cost of sales, operating costs and operating surplus

	2024					
Group	**Turnover** £'000	**Cost of sales** £'000	**Operating costs** £'000	**Gain on disposal of Housing properties** £'000	**Profit on revalued Invest-ments** £'000	**Operating surplus /(deficit)** £'000
Income and expenditure from social housing activities						
Housing accommodation	50,111	-	(42,048)	-	-	8,063
Supported housing	11,394	-	(7,669)	-	-	3,725
Low cost home ownership	3,509	-	(2,923)	-	-	586
	65,014	**-**	**(52,640)**	**-**	**-**	**12,374**
Other social housing activities						
Supporting people contract income	385	-	(385)	-	-	-
Development costs not capitalised	-	-	(38)	-	-	(38)
Management services income	645	-	(266)	-	-	379
Community regeneration income	58	-	(97)	-	-	(39)
Other social housing activities	-	-	(76)	-	-	(76)
First Tranche property sales	1,346	(1,422)	-	-	-	(76)
Rent refunds	(4)	-	-	-	-	(4)
Petrus – Income	4,036	-	(4,029)	-	-	7
Gain on disposal of housing properties	-	-	-	1,555	-	1,555
	6,466	**(1,422)**	**(4,891)**	**1,555**	**-**	**1,708**
Non-social housing activities						
Lettings	2,076	-	(4,249)	-	-	(2,173)
Other	30,247	-	(28,871)	-	208	1,584
	32,323	**-**	**(33,120)**	-	**208**	**(589)**
Total	**103,803**	**(1,422)**	**(90,651)**	**1,555**	**208**	**13,493**

4 Turnover, cost of sales, operating costs and operating surplus *(continued)*

	2023					
Group	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Gain on disposal of Housing properties £'000**	**Loss on revalued Invest-ments £'000**	**Operating surplus /(deficit) £'000**
Income and expenditure from social housing activities						
Housing accommodation	47,430	-	(38,845)	-	-	8,585
Supported housing	10,414	-	(7,582)	-	-	2,832
Low cost home ownership	3,286	-	(2,681)	-	-	605
	61,130	-	(49,108)	-	-	12,022
Other social housing activities						
Supporting people contract income	529	-	(529)	-	-	-
Development costs not capitalised	-	-	(3)	-	-	(3)
Management services	549	-	(133)	-	-	416
Community regeneration	135	-	(113)	-	-	22
Other social housing activities	-	-	(147)	-	-	(147)
First Tranche property sales	-	(7)	-	-	-	(7)
Rent refunds	-	-	(424)	-	-	(424)
Petrus	4,082	-	(4,598)	-	-	(516)
Gain on disposal of housing properties	-	-	-	2,436	-	2,436
	5,295	(7)	(5,947)	2,436	-	1,777
Non-social housing activities						
Lettings	2,238	-	(4,739)	-	-	(2,501)
Other	7,953	-	(9,706)	-	(283)	(2,036)
	10,191	-	(14,445)	-	(283)	(4,537)
	76,616	(7)	(69,500)	2,436	(283)	9,262

4 Turnover, cost of sales, operating costs and operating surplus *(continued)*

			2024			
Association	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Gain on disposal of Housing properties £'000**	**Profit on revalued invest-ment properties £'000**	**Operating surplus/ (deficit) £'000**
Income and expenditure from social housing activities						
Housing accommodation	49,335	-	(39,390)	-	-	9,945
Supported housing	11,088	-	(7,380)	-	-	3,708
Low-cost home ownership	1,175	-	(915)	-	-	260
	61,598	**-**	**(47,685)**	**-**	**-**	**13,913**
Other social housing activities						
Supporting people contract income	385	-	(385)	-	-	-
Development costs not capitalised	-	-	(38)	-	-	(38)
Management services	138	-	(109)	-	-	29
Community regeneration	58	-	(97)	-	-	(39)
Other social housing activities	-	-	(76)	-	-	(76)
First Tranche property sales	1,402	(1,478)	-	-	-	(76)
Rent refunds	-	-	(4)	-	-	(4)
Gain on disposal of housing properties	-	-	-	2,155	-	2,155
	1,983	**(1,478)**	**(709)**	**2,155**	**-**	**1,951**
Non-social housing activities						
Lettings	1,706	-	(813)	-	-	893
Other	959	-	(456)	-	85	588
	2,665	**-**	**(1,269)**	**-**	**85**	**1,481**
	66,246	**(1,478)**	**(49,663)**	**2,155**	**85**	**17,345**

4 Turnover, cost of sales, operating costs and operating surplus *(continued)*

			2023			
Association	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Gain on disposal of Housing properties £'000**	**Loss on revalued invest -ment properties £'000**	**Operating surplus/ (deficit) £'000**
Income and expenditure from social housing activities						
Housing accommodation	46,673	-	(39,204)	-	-	7,469
Supported housing	10,139	-	(7,331)	-	-	2,808
Low-cost home ownership	1,125	-	(924)	-	-	201
	57,937	-	(47,459)	-	-	10,478
Other social housing activities						
Supporting people contract income	529	-	(529)	-	-	-
Development costs not capitalised	-	-	(3)	-	-	(3)
Management services	111	-	(107)	-	-	4
Community regeneration	135	-	(113)	-	-	22
Other social housing activities	-	-	(147)	-	-	(147)
First Tranche property sales	-	(7)	-	-	-	(7)
Rent refunds	-	-	(424)	-	-	(424)
Gain on disposal of housing properties	-	-	-	1,832	-	1,832
	775	(7)	(1,323)	1,832	-	1,277
Non-social housing activities						
Lettings	1,696	-	(730)	-	-	966
Other	428	-	(354)	-	(188)	(114)
	2,124	-	(1,084)	-	(188)	852
	60,836	(7)	(49,866)	1,832	(188)	12,607

5 Particulars of income and expenditure from social housing lettings

Group	General needs £'000	2024 Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
Turnover from social housing activities				
Rent receivables net of identifiable service charges	45,851	7,210	2,054	55,115
Charges for support services	7	74	-	81
Service income	1,899	3,608	1,113	6,620
Other income	9	-	342	351
Amortised government grants	2,345	502	-	2,847
Other revenue grants	-	-	-	-
Turnover from social housing lettings	**50,111**	**11,394**	**3,509**	**65,014**
Expenditure on social housing activities				
Management	(9,795)	(320)	(124)	(10,239)
Services	(2,014)	(3,421)	(1,459)	(6,894)
Routine maintenance	(8,006)	(1,325)	(83)	(9,414)
Planned maintenance	(11,525)	(1,068)	(822)	(13,415)
Major repairs expenditure	(1,526)	(368)	-	(1,894)
Bad debts	(592)	(67)	(2)	(661)
Depreciation of housing properties	(7,333)	(990)	(308)	(8,631)
Impairment of housing properties	(377)	-	-	(377)
Component write offs	(344)	-	-	(344)
Other costs	(536)	(110)	(125)	(771)
Operating costs on social housing lettings	**(42,048)**	**(7,669)**	**(2,923)**	**(52,640)**
Operating surplus on social housing letting activities	**8,063**	**3,725**	**586**	**12,374**
Void losses	**(253)**	**(379)**	**-**	**(632)**

5 Particulars of income and expenditure from social housing lettings *(continued)*

	2023			
Group	**General needs £'000**	**Supported housing and housing for older people £'000**	**Low cost home ownership £'000**	**Total £'000**
Turnover from social housing activities				
Rent receivables net of identifiable service charges	43,539	6,837	2,017	52,393
Charges for support services	9	69	8	86
Service income	1,565	3,005	949	5,519
Other income	-	-	312	312
Amortised government grants	2,317	503	-	2,820
Other revenue grants	-	-	-	-
Turnover from social housing lettings	47,430	10,414	3,286	61,130
Expenditure on social housing activities				
Management	(10,861)	(561)	(414)	(11,836)
Services	(1,933)	(3,222)	(1,314)	(6,469)
Routine maintenance	(7,470)	(1,201)	(103)	(8,774)
Planned maintenance	(7,331)	(1,015)	(262)	(8,608)
Major repairs expenditure	(1,174)	(389)	(55)	(1,618)
Bad debts	71	(18)	-	53
Depreciation of housing properties	(6,936)	(1,023)	(467)	(8,426)
Impairment of housing properties	(2,325)	-	-	(2,325)
Component write offs	(378)	-	-	(378)
Other costs	(508)	(153)	(66)	(727)
Operating costs on social housing lettings	(38,845)	(7,582)	(2,681)	(49,108)
Operating surplus on social housing letting activities	8,585	2,832	605	12,022
Void losses	(166)	(233)	-	(399)

5 Particulars of income and expenditure from social housing lettings *(continued)*

	2024			
Association	**General needs £'000**	**Supported housing and housing for older people £'000**	**Low cost home ownership £'000**	**Total £'000**
Turnover from social housing activities				
Rent receivables net of identifiable service charges	47,406	10,632	1,175	59,213
Charges for support services	-	-	-	-
Service income	-	-	-	-
Other income	-	-	-	-
Other revenue grants	-	-	-	-
Amortised government grants	1,929	456	-	2,385
Turnover from social housing lettings	**49,335**	**11,088**	**1,175**	**61,598**
Expenditure on social housing activities				
Management	(10,097)	(308)	(22)	(10,427)
Services	(1,943)	(3,371)	(705)	(6,019)
Routine maintenance	(7,979)	(1,264)	(31)	(9,274)
Planned maintenance	(8,616)	(954)	(13)	(9,583)
Major repairs expenditure	(1,526)	(368)	-	(1,894)
Bad debts	(591)	(62)	(1)	(654)
Depreciation of housing properties	(7,047)	(937)	(117)	(8,101)
Impairment of housing properties	(378)	-	-	(378)
Component write offs	(344)	-	-	(344)
Other costs	(869)	(116)	(26)	(1,011)
Operating costs on social housing lettings	**(39,390)**	**(7,380)**	**(915)**	**(47,685)**
Operating surplus on social housing letting activities	**9,945**	**3,708**	**260**	**13,913**
Void losses	(253)	(379)	-	(632)

5 Particulars of income and expenditure from social housing lettings *(continued)*

		2023		
Association	**General needs £'000**	**Supported housing and housing for older people £'000**	**Low cost home ownership £'000**	**Total £'000**
Turnover from social housing activities				
Rent receivables net of identifiable service charges	43,233	6,649	682	50,564
Charges for support services	9	69	8	86
Service income	1,529	2,965	435	4,929
Other income	-	-	-	-
Other revenue grants	-	-	-	-
Amortised government grants	1,902	456	-	2,358
Turnover from social housing lettings	46,673	10,139	1,125	57,937
Expenditure on social housing activities				
Management	(11,156)	(549)	(3)	(11,708)
Services	(1,889)	(3,155)	(639)	(5,683)
Routine maintenance	(7,478)	(1,167)	(56)	(8,701)
Planned maintenance	(7,272)	(935)	(12)	(8,219)
Major repairs expenditure	(1,175)	(389)	(55)	(1,619)
Bad debts	71	(17)	-	54
Depreciation of housing properties	(6,774)	(967)	(124)	(7,865)
Impairment of housing properties	(2,325)	-	-	(2,325)
Component write offs	(378)	-	-	(378)
Other costs	(828)	(152)	(35)	(1,015)
Operating costs on social housing lettings	(39,204)	(7,331)	(924)	(47,459)
Operating surplus on social housing letting activities	7,469	2,808	201	10,478
Void losses	(166)	(233)	-	(399)

6 Accommodation in management and development

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

Group	31 March 2023 Units	New stock Bought/ developed Units	Sold/ Demoli-shed Units	Transact-ions with other RPs Units	Other move-ments Units	31 March 2024 Units
Social housing						
General housing - social	8,657	14	(95)	-	(109)	**8,467**
General housing - affordable	579	-	-	-	111	**690**
Supported housing and housing for older people - social	1,765	-	(7)	-	(2)	**1,756**
Supported housing and housing for older people - affordable	88	-	-	-	-	**88**
Low-cost home ownership	1,055	20	(16)	-	59	**1,118**
Total social housing owned and managed	12,144	34	(118)	-	59	**12,119**
Social leasehold units owned	547	-	-	-	(59)	**488**
Total social housing	12,691	34	(118)	-	-	**12,607**
Non-social housing						
Market rented	408	-	-	-	(62)	**346**
Office and retail units owned by the association	39	-	-	-	-	**39**
Leasehold units owned	41	-	-	-	9	**50**
Total Non-social housing	488	-	-	-	(53)	**435**
Total owned and managed	13,179	34	(118)	-	(53)	**13,042**
Accommodation in development at the year end	110					**211**

6 Accommodation in management and development *(continued)*

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

Group	31 March 2022 Units	New stock Bought/ developed Units	Sold/ Demoli-shed Units	Transact-ions with other RPs Units	Other move-ments Units	31 March 2023 Units
Social housing						
General housing - social	8,738	1	(48)	-	(34)	8,657
General housing - affordable	537	-	(3)	-	45	579
Supported housing and housing for older people	1,840	1	(9)	-	21	1,853
Low-cost home ownership	1,086	-	(34)	-	3	1,055
Total social housing owned and managed	12,201	2	(94)		35	12,144
Social leasehold units owned	540	-	-	-	7	547
Total social housing	12,741	2	(94)	-	42	12,691
Non-social housing						
Market rented	185	3	(1)	-	221	408
Office and retail units owned by the association	39	-	-	-	-	39
Leasehold units owned	14	-	-	-	27	41
Total Non-social housing	238	3	(1)	-	248	488
Total owned and managed	12,979	5	(95)	-	290	13,179
Accommodation in development at the year end	126					110

6 Accommodation in management and development *(continued)*

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

Association	31 March 2023 Units	New stock Bought/ developed Units	Sold/ Demoli-shed Units	Transact-ions with other RPs Units	Other move-ments Units	31 March 2024 Units
Social housing						
General housing - social	8,521	14	(95)	-	(107)	**8,333**
General housing - affordable	577	-	-	-	111	**688**
Supported housing and housing for older people	1,789	-	(7)	-	(2)	**1,780**
Low-cost home ownership	430	20	(5)	-	45	**490**
Social leasehold units owned	308	-	-	-	(42)	**266**
Total social housing owned and managed	11,625	**34**	**(107)**	**-**	**5**	**11,557**
Non-social housing						
Non-social leasehold	5	-	-	-	3	**8**
Market rented	129	-	-	-	-	**129**
Office and retail units owned by the association	2	-	-	-	-	**2**
Total owned and managed	11,761	**34**	**(107)**	**-**	**8**	**11,696**
Accommodation in development at the year end	110					**211**

6 Accommodation in management and development *(continued)*

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

Association	**31 March 2022 Units**	**New stock Bought/ developed Units**	**Sold/ Demolished Units**	**Transactions with other RPs Units**	**Other movements Units**	**31 March 2023 Units**
Social housing						
General housing - social	8,612	1	(47)	-	(45)	8521
General housing - affordable	534	-	(2)	-	45	577
Supported housing and housing for older people	1,773	1	(6)	-	21	1,789
Low-cost home ownership	438	-	(10)	-	2	430
Total social housing owned and managed	11,357	2	(65)	-	23	11,317
Social leasehold units owned	301	-	-	-	7	308
Non-social leasehold	3	-	-	-	2	5
Non-social housing						
Market rented	105	-	-	-	24	129
Office and retail units owned by the association	2	-	-	-	-	2
Total owned and managed	11,768	2	(65)	-	56	11,761
Accommodation in development at the year end	126					110

7 Operating surplus

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
This is arrived at after charging/(crediting):				
Depreciation of housing properties	**8,631**	8,426	**8,101**	7,865
Depreciation of other tangible fixed assets	**952**	1,002	**606**	650
Amortisation of intangible fixed assets	**53**	43	**-**	-
Amortisation of goodwill	**490**	-	**-**	-
Gain on fixed asset investments	**-**	(10)	**-**	-
Impairment of housing properties	**394**	2,325	**394**	2,325
Operating lease rentals:				
- land and buildings	**4**	4	**4**	4
- office equipment, cars and computers	**12**	12	**12**	12
Auditors remuneration (excluding VAT):				
- for the audit of the financial statements	**147**	116	**43**	42
- for the audit of service charge accounts	**25**	24	**15**	24
- for non-audit services	**19**	13	**19**	13
- tax compliance	**22**	31	**22**	29
- other	**29**	17	**19**	17

8 Employees

Average monthly number of employees expressed in full time equivalents:

	Group 2024 Number	Group 2023 Number	Association 2024 Number	Association 2023 Number
Administration	**144**	118	**78**	73
Development	**6**	8	**6**	8
Housing, support and care	**214**	249	**144**	173
Education/nursery care	**63**	40	**-**	-
Maintenance	**340**	255	**56**	39
Community Regeneration	**1**	2	**1**	2
	768	672	**285**	295

8 Employees *(continued)*

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Employee costs:				
Wages and salaries	**23,288**	22,851	**10,536**	11,610
Social security costs	**2,208**	2,196	**1,012**	1,131
Pension costs	**1,174**	1,097	**615**	595
	26,670	26,144	**12,163**	13,336
Restructuring costs	**60**	602	**52**	594
	26,730	26,746	**12,215**	13,930

Restructuring costs included redundancy payments of £52k (2023 - £589k). Overall redundancy payments were made to 10 (2023 – 24) individuals.

Key management personnel

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Salary	**1,147**	1,438	**830**	1,098
Pensions	**78**	88	**57**	67
	1,225	1,526	**887**	1,165

Key management personnel include all directors apart from executive directors who are included below. £1,825k (2023 - £33k) SHPS pension deficit contributions paid in the year are included in the association's pension costs above.

The CEO is an ordinary member of the SHPS DC scheme. No enhanced or special terms apply, and the group makes no contribution to an individual pension arrangement.

	2024 £'000	2023 £'000
Executive Directors		
Aggregate executive directors' remuneration		
Emoluments	**897**	896
Highest paid executive director		
Emoluments, excluding pension contributions	**230**	219

8 Employees *(continued)*

The full-time equivalent number of staff (including executive directors) who received emoluments:	**2024 Number**	**2023 Number**
£60,001 to £70,000	**15**	8
£70,001 to £80,000	**4**	4
£80,001 to £90,000	**-**	4
£90,001 to £100,000	**4**	8
£100,001 to £110,000	**2**	-
£110,001 to £120,000	**2**	1
£120,001 to £130,000	**1**	-
£140,001 to £150,000	**-**	1
£150,001 to £160,000	**-**	2
£160,001 to £170,000	**2**	-
£220,001 to £230,000	**1**	-
£230,001 to £240,000	**-**	1

9 Non-Executive Directors
Group

	2024 £'000	**2023 £'000**
Board members		
Board Member remuneration		
T Hepton	**0.0**	3.8
J Green	**0.0**	1.0
L Dixon	**13.2**	8.6
J Wood	**7.7**	5.9
C Wilson	**0.0**	8.0
M G O'Doherty	**0.0**	1.1
N Hibbert	**6.2**	5.9
S Bonnette	**6.2**	5.9
T Jones	**6.2**	5.9
P Roberts	**8.0**	12.5
M Pierre	**6.2**	5.9
R Cressey	**9.0**	8.2
S Finnegan	**0.0**	4.8
G Pink	**6.2**	0.0
J Worthington	**6.2**	0.0
S Stubbs	**6.2**	0.0
V Gandhi	**6.2**	0.0
S Parr	**7.7**	0.0
	95.2	77.5
Board remuneration as a % of Group turnover	**0.09%**	0.10%

9 Board members and executive directors *(continued)*

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Severance and redundancy payments				
Total severance and redundancy payments	**-**	580	**-**	580

The executive directors, including the Group Chief Executive, are employed on the same terms as other staff. A number of the executive directors are members of the Social Housing Pension Scheme which is a defined contribution pension scheme with obligations to repay the deficit in respect of the previous defined benefit scheme. The ongoing scheme is a defined contribution scheme. They participate in the scheme on the same terms as all other eligible staff and the Group contributes to the scheme on behalf of its employees. Executive directors and other officers may be members of the Association's board on a non-remuneration basis.

10 Sale of fixed assets – housing properties

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Proceeds of sale	**5,539**	6,304	**4,669**	4,585
Carrying values of fixed assets	**(1,928)**	(2,510)	**(705)**	(1,726)
	3,611	3,794	**3,964**	2,859
Capital grant recycled (note 30)	**(2,056)**	(1,392)	**(1,809)**	(1,026)
Surplus for the year	**1,555**	2,402	**2,155**	1,833

11 Interest receivable and other income

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Interest receivable and similar income	**263**	81	**101**	16

12 Interest payable and similar charges

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Bank loans and overdrafts	**9,944**	9,864	**10,598**	10,151
Interest capitalised on housing properties under construction	**(209)**	(203)	**(209)**	(203)
	9,735	9,661	**10,389**	9,948

The interest rate applied to determine the finance costs during the year was 4.5% for all direct subsidiaries of the Association (2023 - 4.5%).

13 Tax on surplus

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Current tax				
UK corporation tax on surplus for the year at 25% (2023 - 19%)	**-**	-	**-**	-
Adjustments in respect of prior years	**17**	-	**-**	-
	-	-	**-**	-
Deferred taxation				
Origination and reversal of timing differences	**825**	(677)	**-**	-
Adjustments in respect of prior years	**(26)**	(37)	**-**	-
	799	(714)	**-**	-
Tax charge/(credit) on surplus	**816**	(714)	**-**	-

13 Tax on surplus *(continued)*

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Current tax reconciliation				
Surplus for the period before taxation	**3,707**	(493)	**2,718**	2,718
UK corporation tax rate 25% (2023 - 19%)	**927**	(94)	**516**	516
Fixed asset differences	**318**	11		
Expenses not deductible for tax purposes	**13,863**	6,322	**10,776**	10,776
Income not chargeable to corporation tax	**(15,457)**	(6,665)	**(11,292)**	(11,292)
Amounts relating to other comprehensive income or otherwise transferred	**-**	(39)	**-**	-
Capital gains/(losses)	**120**	(50)	**-**	-
Adjustments in respect of prior periods	**3**	(36)	**-**	-
Adjustment to deferred tax opening and closing balances	**-**	(163)	**-**	-
Movement in deferred tax not recognised	**329**	-	**-**	-
Adjustment in respect of prior periods – deferred tax	**26**	-	**-**	-
Other permanent differences	**(945)**	-	**-**	-
Total tax charge/(credit)	**816**	(714)	-	-

Change in tax rate

The main corporation tax rate was raised from 19% to 25% for tax years starting 1 April 2023.

14 Tangible fixed assets – housing properties

	Held for letting		Low-cost home ownership		Total
Group	**Completed £'000**	**Under construction £'000**	**Completed £'000**	**Under construction £'000**	**Housing properties £'000**
Property cost					
At 1 April 2023 (restated)	560,768	14,257	40,991	1,779	617,795
Properties acquired	-	12,264	-	794	13,058
Schemes completed	2,664	(2,664)	2,130	(2,130)	**-**
Works to existing properties	6,864	-	-	-	6,864
Impairment of properties	(394)	-	-	-	(394)
Disposals	(3,526)	-	(1,924)	-	(5,450)
Transfer	(419)	-	-	-	(419)
At 31 March 2024	**565,957**	**23,857**	**41,197**	**443**	**631,454**
Depreciation and impairment					
At 1 April 2023	120,732	-	4,928	-	125,660
Charge for the year	8,322	-	309	-	**8,631**
Eliminated in respect of impairment	(116)	-	-	-	**(116)**
Eliminated in respect of disposals	(1,737)	-	(231)	-	**(1,968)**
Transfer	(12)	-	-	-	**(12)**
At 31 March 2024	**127,189**	**-**	**5,006**	**-**	**132,195**
Net book value					
At 31 March 2024	**438,768**	**23,857**	**36,191**	**443**	**499,259**
At 31 March 2023 (as restated)	440,036	14,257	36,063	1,779	492,135

The impairment loss related to 45 (2023 – no) units, and 48 units with impairments were reversed upon point of sale.

For details of the prior year restatement see page 70.

14 Tangible fixed assets – housing properties *(continued)*

Association	Held for letting Completed £'000	Held for letting Under construction £'000	Low-cost home ownership Completed £'000	Low-cost home ownership Under construction £'000	Total Housing properties £'000
Property cost					
At 1 April 2023 (as restated)	557,928	14,266	11,746	1,777	585,717
Additions	-	12,264	-	794	**13,058**
Schemes completed	2,664	(2,664)	2,130	(2,130)	**-**
Works to existing properties	6,900	-	-	-	**6,900**
Impairment of properties	(394)	-	-	-	**(394)**
Disposals	(3,525)	-	(422)	-	**(3,947)**
At 31 March 2024	**563,573**	**23,866**	**13,454**	**441**	**601,334**
Depreciation and impairment					
At 1 April 2023	108,547	-	427	-	108,974
Charge for the year	7,983	-	118	-	**8,101**
Eliminated in respect of impairment	(116)	-	-	-	**(116)**
Eliminated in respect of disposals	(1,737)	-	-	-	**(1,737)**
At 31 March 2024	**114,677**	**-**	**545**	**-**	**115,222**
Net book value					
At 31 March 2024	**448,896**	**23,866**	**12,909**	**441**	**486,112**
At 31 March 2023 (as restated)	449,381	14,266	11,319	1,777	476,743

For details of the prior year restatement see page 70.

14 Tangible fixed assets – housing properties *(continued)*

Expenditure on works to existing properties

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Components capitalised	**6,859**	10,071	**6,900**	10,098
Amounts charged to income and expenditure account	**1,894**	666	**1,894**	666
	8,753	10,737	**8,794**	10,764

Prior year restatement

Group

The cost of social housing for letting under construction as at 1 April 2023 has been restated by £2,326k from £11,931k to £14,257k to correct a historic error in allocation, and the cost of low cost home ownership under construction has been restated by the same amount from £4,105k to £1,779k. The net book value as at 31 March 2023 has likewise been restated by £2,326k from £11,931k to £14,257k for Social Housing for letting and from £4,105k to £1,779k for low cost home ownership. There is no impact on net assets or on the overall value of housing properties.

The cost of completed social housing for letting as at 1 April 2023 has been restated by £5,099k from £555,669k to £560,768k to correct a historic error in allocation, and the cost of completed low cost home ownership has been restated by the same amount from £46,090k to £40,991k. The net book value as at 31 March 2023 has likewise been restated by £4,700k from £435,336k to £440,036k for completed social housing for letting and from £40,763k to £36,063k for completed low cost home ownership. There is no impact on net assets or on the overall value of housing properties.

Association

The cost of social housing for letting under construction as at 1 April 2023 has been restated by £2,326k from £11,940k to £14,266k to correct a historic error in allocation, and the cost of low cost home ownership under construction has been restated by the same amount from £4,103k to £1,777k. The net book value as at 31 March 2023 has likewise been restated by £2,326k from £11,940k to £14,266k for Social Housing for letting and from £4,104k to £1,777k for low cost home ownership. There is no impact on net assets or on the overall value of housing properties.

15 Investment properties non-social housing properties held for letting

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
At 1 April	**31,423**	29,966	**24,010**	22,573
Transfer in	**271**	-	**-**	-
Additions	**61**	2,050	**-**	1,625
Other movements	**(370)**	-	**(370)**	-
Increase/(decrease) in value	**208**	(283)	**85**	(188)
Disposals	**(110)**	(310)	**(1,100)**	-
At 31 March	**31,483**	31,423	**22,625**	24,010

Investment properties were valued as at 31 March 2024 by Jones Lang LaSalle (JLL), MO Valuations and Thomson Associates, RICS regulated property consultants and chartered surveyors.

In valuing investment properties, a discounted cash flow methodology was adopted in line with RICS valuation professional standard on the basis of fair value.

16 Tangible fixed assets – other

Group	Freehold/ leasehold premises £'000	Motor vehicles £'000	Computers and office equipment £'000	Fixtures and fittings £'000	Scheme assets £'000	Total £'000
Cost						
At 1 April 2023	8,236	660	2,329	3,041	6,329	20,595
Additions	135	-	262	393	243	**1,033**
Disposals	-	(10)	(642)	(41)	(8)	**(701)**
At 31 March 2024	**8,371**	**650**	**1,949**	**3,393**	**6,564**	**20,927**
Depreciation and impairment						
At 1 April 2023	2,540	527	1,540	1,727	4,126	10,460
Charged in year	75	62	376	209	230	**952**
Elimination on disposal	-	(3)	(668)	(10)	(6)	**(687)**
At 31 March 2024	**2,615**	**586**	**1,248**	**1,926**	**4,350**	**10,725**
Net book value						
At 31 March 2024	**5,756**	**64**	**701**	**1,467**	**2,214**	**10,202**
At 31 March 2023	5,696	133	789	1,314	2,203	10,135

16 Tangible fixed assets – other *(continued)*

Association	**Freehold/ leasehold premises £'000**	**Computers and office equipment £'000**	**Fixtures and fittings £'000**	**Scheme assets £'000**	**Total £'000**
Cost					
At 1 April 2023	3,454	1,318	1,047	5,724	11,543
Additions	-	138	-	241	379
Disposals	-	(626)	-	(4)	(630)
At 31 March 2024	**3,454**	**830**	**1,047**	**5,961**	**11,292**
Depreciation and impairment					
At 1 April 2023	482	788	492	3,484	5,246
Charged in year	22	284	73	227	606
Elimination on disposal	-	(626)	-	(4)	(630)
At 31 March 2024	**504**	**446**	**565**	**3,707**	**5,222**
Net book value					
At 31 March 2024	**2,950**	**384**	**482**	**2,254**	**6,070**
At 31 March 2023	2,972	530	555	2,240	6,297

17 Other intangible assets

Group	**Computer software £'000**
Cost	
At 1 April 2023	581
Additions	128
At 31 March 2024	**709**
Amortisation	
As at 1 April 2023	513
Charge for the year	53
At 31 March 2024	**566**
Net book value	
At 31 March 2024	**143**
At 31 March 2023	68

18 Goodwill

Group	**£'000**
Cost	
At 1 April 2023	7,969
At 31 March 2024	**7,969**
Amortisation	
At 1 April 2023	(3,075)
Amortisation in year	(489)
At 31 March 2024	**(3,564)**
Net book value	
At March 2024	**4,405**
At 1 April 2023	4,894

18 Goodwill (continued)

The goodwill figure shown above relates to goodwill on acquisition of the following subsidiaries:

	£'000
M&Y Maintenance and Construction Limited	1,068
McDonald Property Rentals Limited	687
Alder Training Limited	1,295
Positive Footprints Limited	25
Ecogee Limited	4,894
	7,969

19 Investments in subsidiaries

Association	**2024 £'000**	**2023 £'000**
Cost		
Investment in M&Y Maintenance and Construction Limited	**1,134**	1,134
Investment in Alder Care Limited	**1,600**	1,600
Investment in The Learning Foundry Limited	**678**	678
Investment in Positive Footprints Limited	**212**	212
Investment in Ecogee Limited	**6,819**	6,914
	10,443	10,538
Impairment		
Impairment of investment in Alder Care Limited	**(1,600)**	(1,600)
Impairment of investment in The Learning Foundry Limited	**(250)**	(250)
Impairment of investment in Positive Footprints	**(212)**	(212)
	(2,062)	(2,062)
Carrying value at 31 March	**8,381**	8,476

The reduction in the cost of the investment in Ecogee Limited of £95k relates to a change in the contingent consideration payable.

19 Investments in subsidiaries (continued)

As required by statute, the financial statements consolidate the results of the following companies which were subsidiaries of the Association as at 31 March 2024:

- Redwing Living Limited
- M&Y (Regenda Partnership) Limited
- M&Y Maintenance & Construction Limited
- McDonald Property Rentals Limited
- Petrus Community Limited
- The Learning Foundry Limited
- Centre 56 Limited
- E Hind & Co Limited
- Templar Homes Limited
- Regenda Developments Limited
- The National Communities Resource Centre Limited
- Ecogee Limited

The Association has the right to appoint members to the board of all subsidiaries and thereby exercises control over them. Redwing Living Limited is a Registered Provider; Petrus Community Limited, The National Communities Resource Centre Limited and Centre 56 are registered charities; the other subsidiaries are companies incorporated under the Companies Act 2006.

Regenda Limited is the ultimate parent undertaking.

Further details in relation to subsidiary undertakings is detailed in note 39.

20 Transactions with non-regulated entities

During the year the Association had the following intra-group transactions with non-regulated entities:

	2024 £'000	2023 £'000
M&Y Maintenance and Construction Limited		
Provision of repairs and maintenance services	**(36,273)**	(30,446)
McDonald Property Rentals Limited		
Management of market rented stock	**-**	(9)
The National Communities Resource Centre Limited		
Purchase of Trafford Hall	**-**	-
The Learning Foundry		
Training and refurbishment	**(82)**	(25)
Petrus Community Limited		
Management of rental schemes	**(428)**	(428)
Regenda Developments Limited		
Development & construction schemes	**(10,514)**	(3,088)
Ecogee Limited		
Ecogee Limited	**-**	-

21 Fixed asset investment

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
As at 1 April 2023	**407**	-	**-**	-
Addition	**-**	397	**-**	-
Gain on revaluation	**66**	10	**-**	-
As at 31 March 2024	**473**	407	**-**	-

The historical cost of investments is £396,854 (2023 - £396,854).

22 Properties held for sale

Shared ownership properties

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Work in progress	**295**	1,656	**295**	1,656

The impairment charge in the year was £76k (2023 - £Nil).

23 Stock

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Finished goods and goods for resale	**186**	244	**-**	-

24 Debtors

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Amounts falling due in more than one year				
Other debtors	**1,611**	1,611	**1,611**	1,611
Amounts falling due within one year				
Rent and service charges receivable	**3,277**	3,258	**2,579**	2,314
Less provision for bad and doubtful debts	**(2,265)**	(2,023)	**(1,761)**	(1,305)
Net rent arrears	**1,012**	1,235	**818**	1,009
Trade debtors	**3,387**	1,708	**-**	-
Social housing grants receivable	**115**	115	**115**	115
Other debtors	**2,730**	3,212	**174**	527
Amounts owed by group undertakings	**-**	-	**1,437**	180
Prepayments and accrued income	**4,827**	3,574	**1,488**	1,212
Corporation tax	**5**	5	**-**	-
Deferred tax	**790**	-	**-**	-
Total debtors falling due within one year	**12,866**	9,849	**4,032**	3,043
Total debtors	**14,477**	11,460	**5,643**	4,654

Other debtors due after more than one year relate to cash security in relation to long term borrowing arrangements.

Amounts owed by group undertakings are interest free and repayable on demand.

25 Cash

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Recycled capital grant fund (note 30)	**16,866**	11,936	**6,810**	4,530

Included within cash balances is £1.4m (2023 - £Nil) relating to client funds that are not available for use by the group.

26 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Debt (note 29)	**6,049**	8,239	**6,049**	8,239
Trade creditors	**3,364**	2,943	**862**	535
Rent and service charges received in advance	**3,036**	3,151	**2,633**	2,767
Amounts owed to group undertakings	**-**	-	**23,739**	23,439
Other creditors	**3,123**	2,664	**2,257**	1,780
Other taxation and social security	**215**	596	**5**	97
Accruals and deferred income	**13,073**	10,029	**5,734**	6,654
Recycled capital grant fund (note 30)	**688**	590	**342**	244
Deferred capital grant (note 31)	**2,632**	2,554	**2,411**	2,333
Leaseholder funds	**521**	416	**-**	-
	32,701	31,182	**44,032**	46,088

Amounts owed to group undertakings are interest free and repayable on demand.

27 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Recycled capital grant fund (note 30)	**3,519**	2,504	**2,906**	1,702
Deferred capital grant (note 31)	**224,906**	222,732	**194,788**	193,315
Debt (note 29)	**209,582**	206,988	**209,532**	206,901
Sinking funds	**2,339**	2,149	**1,256**	1,203
	440,346	434,373	**408,482**	403,121

28 Provisions for liabilities

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Caton provision	**620**	1,300	**-**	-
Fire remedial work provision	**3,583**	-		
Deferred tax (see note 13)	**-**	9	**-**	-
	4,203	1,309	**-**	-

	Caton		Fire remedial work	
	Group 2024 £'000	Group 2023 £'000	Group 2024 £'000	Group 2023 £'000
At 1 April	**1,300**	-	**-**	-
Charged to the Statement of Comprehensive Income	**615**	1,300	**3,583**	-
Expenditure in the year	**(1,295)**	-	**-**	-
At 31 March	**620**	1,300	**3,583**	-

The Caton provision relates to defect works on 30 properties following the collapse of the house builder Mulbury Homes Ltd.

An additional £615k provision has been provided in the year in respect of additional required works at the Caton site. In addition to this provision £3.58m has been provided for in the year for remedial fire prevention works at Preston Point, 9a and 17 Lydia Ann Street.

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Deferred tax summary				
Accelerated capital allowances	**790**	(9)		-
Balance at 1 April	**(9)**	(723)		-
Amount charged (credited) to income and expenditure account	**799**	714		-
Balance at 31 March	**790**	(9)		-

29 Debt analysis

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Due within one year				
Bank loans (note 26)	**6,049**	8,239	**6,049**	8,239
Due after more than one year				
Bank loans	**152,668**	148,667	**152,618**	148,580
Notes and debentures	**55,000**	55,000	**55,000**	55,000
Loan premium	**5,586**	5,851	**5,586**	5,851
Loan set up costs	**(3,672)**	(2,530)	**(3,672)**	(2,530)
	209,582	206,988	**209,532**	206,901
Total	**215,631**	215,227	**215,581**	215,140
In one year or less (note 26)	**6,049**	8,239	**6,049**	8,239
Between one and two years	**5,502**	6,049	**5,452**	5,962
Between two and five years	**38,512**	17,257	**38,512**	17,257
In five years to more	**110,568**	128,682	**110,568**	128,682
	160,631	160,227	**160,581**	160,140
M&G Senior Note 4.96% repayable 2043	**22,000**	22,000	**22,000**	22,000
M&G Senior Note 5.01% repayable 2048	**22,000**	22,000	**22,000**	22,000
M&G Senior Note 5.00% repayable 2053	**11,000**	11,000	**11,000**	11,000
	215,631	215,227	**215,581**	215,140

29 Debt analysis *(continued)*

Security

Bank and other loans are secured by fixed charged on individual properties.

Terms of repayment and interest rates

The loans (other than the M&G notes) are repayable by instalments by up to 15 years and are at fixed or variable interest rates between 2.98% and 10.43%. The group has facilities of £278,7m (2023 - £266.8m). At 31 March 2024, the group had undrawn loan facilities of £65m (2023 - £55m). The group uses its housing properties as security for all its existing loan facilities.

Three of the loans are bullet repayments due between 2024 and 2047.

The group assessed its bank loans as basic using the criteria in section 11 of FRS 102, although the loan agreements contain two-way breakage clauses.

The group's interpretation of the financial reporting standard is that the clauses do not prevent the loans being accounted for as basic.

	Group 2024 £'000	**Group 2023 £'000**
Fixed rate	**162,818**	177,304
Variable rate	**74,472**	50,813
At 31 March	**237,290**	230,793

The fixed rate financial liabilities have a weighted average interest rate of 4.51% (2023 - 4.63%) and the weighted average period for which is fixed is 16 years (2023 - 17 years).

30 Recycled capital grant fund

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
At 1 April	**3,094**	2,838	**1,946**	1,543
Grants recycled	**2,056**	1,392	**1,809**	1,026
Grants utilised in the year	**(1,089)**	(1,170)	**(654)**	(657)
Interest Accrued	**146**	34	**148**	34
At 31 March	**4,207**	3,094	**3,249**	1,946
Amounts to be released within one year (note 26)	**688**	590	**244**	244
Amounts to be released in more than one year (note 27)	**3,519**	2,504	**3,005**	1,702
	4,207	3,094	**3,249**	1,946

31 Deferred capital grant income

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
At 1 April	**225,286**	225,628	**195,647**	195,162
Grants received in the year	**6,336**	3,950	**5,029**	3,950
Released to income in the year	**(2,811)**	(3,026)	**(2,350)**	(2,565)
Grant disposed in the year	**(1,274)**	(1,266)	**(1,127)**	(900)
At 31 March	**227,538**	225,286	**197,199**	195,647
Amounts to be released within one year (note 26)	**2,632**	2,554	**2,411**	2,333
Amounts to be released in more than one year (note 27)	**224,906**	222,732	**194,788**	193,314
	227,538	225,286	**197,199**	195,647
Government funding received	**304,416**	299,387	**258,379**	253,350
Grants amortised to date (contingent liabilities)	**(76,878)**	(74,101)	**(61,180)**	(57,703)
	227,538	225,286	**197,199**	195,647

32 Net pension liability

Social Housing Pension Scheme (Group and Association)

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 triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Group to account for the Scheme as a defined benefit scheme.

For accounting purposes, an actuarial valuation of the scheme was carried out with effective date of 31 March 2024. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus at the accounting period start and end dates.

32 Net pension liability *(continued)*

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	2024 £'000	2023 £'000
Fair value of plan assets	**32,888**	33,587
Present value of defined benefit obligation	**(40,447)**	(40,919)
Deficit in plan	**(7,559)**	(7,332)

	2024 £'000	2023 £'000
Defined benefit obligation at start of year	**40,919**	58,721
Expenses	**33**	33
Interest expense	**1,957**	1,619
Actuarial (gains) losses due to scheme experience	**(158)**	(88)
Actuarial (gains) losses due to changes in demographic assumptions	**(460)**	(97)
Actuarial (gains) losses due to changes in financial assumptions	**(325)**	(17,916)
Benefits paid and expenses	**(1,519)**	(1,353)
Defined benefit obligation at end of period	**40,447**	40,919

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2024 £'000	2023 £'000
Fair value of plan assets at start of year	**33,587**	51,593
Interest income	**1,643**	1,444
Experience on plan assets (excluding amounts included in interest income) – (loss) gain	**(2,648)**	(19,819)
Contributions by the employer	**1,825**	1,722
Benefits paid and expenses	**(1,519)**	(1,353)
Fair value of plan assets at end of year	**32,888**	33,587

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2024 was a loss of £1,005,000 (2023: loss of £18,375,000).

32 Net pension liability *(continued)*

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	2024 £'000	2023 £'000
Expenses	**33**	33
Net interest expense	**314**	175
Defined benefit costs recognised in statement of comprehensive income	**347**	208

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2024 £'000	2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) –loss	**(2,648)**	(19,819)
Experience gains and losses arising on the plan liabilities – gain	**158**	88
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	**460**	97
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**325**	17,916
Total amount recognised in other comprehensive income – loss	**(1,705)**	(1,718)

ASSETS	2024 £'000	2023 £'000
Absolute Return	**1,284**	363
Alternative Risk Premia	**1,044**	62
Credit Relative Value	**1,078**	1,268
Distressed Opportunities	**1,159**	1,017
Emerging Markets Debt	**425**	180
Fund of Hedge Funds	**3,278**	-
Global Equity	**-**	627
Infrastructure	**3,322**	3,836

32 Net pension liability *(continued)*

ASSETS *(continued)*	**2024 £'000**	**2023 £'000**
Insurance-Linked Securities	**170**	848
Liability Driven Investment	**13,385**	15,468
Long Lease Property	**212**	1,013
Net Current Assets	**56**	86
Private Debt	**1,294**	1,495
Property	**1,321**	1,446
Risk Sharing	**1,925**	2,473
Secured Income	**982**	1,542
Opportunistic Illiquid Credit	**1,285**	1,437
High Yield	**5**	118
Opportunistic Credit	**-**	2
Cash	**649**	242
Private equity	**27**	-
Currency hedging	**(13)**	64
Total assets	**32,888**	33,587

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

KEY ASSUMPTIONS

	2024 % per annum	**2023 % per annum**
Discount Rate	**4.91%**	4.86%
Inflation (RPI)	**3.14%**	3.19%
Inflation (CPI)	**2,78%**	2.77%
Salary Growth	**3.78%**	3.77%
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 Life expectancy at age 65 (Years)	**2023 Life expectancy at age 65 (Years)**
Male retiring in 2024	**20.5**	21.0
Female retiring in 2024	**23.0**	23.4
Male retiring in 2044	**21.8**	22.2
Female retiring in 2044	**24.4**	24.9

33 Share capital

	Association 2024 £	Association 2023 £
Allotted, issued and fully paid		
At 1 April and 31 March	**9**	9

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled, and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

34 Reserves

Reserves are made up of the following:

- Restricted reserves relate to a gift aid reserve in the Association, for which there has been no movement in the year or prior year, as well as restricted reserves in The National Communities Resource Centre Limited and Petrus Community Limited which are restricted for various reasons in line with the Charities’ objectives.
- The endowment fund principally comprises a legacy received in 2005 in Petrus Community. The trustees have the discretion to spend the capital (an expendable endowment), but their intention is to maintain the capital and use the investment income arising for the benefit of the homeless people under the terms of the legacy.
- Revenue reserve - these are the accumulated designated and income and expenditure reserves for the Group. Distribution is restricted by the corresponding company's rules.

35 Capital commitments

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Capital expenditure				
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**33,110**	12,497	**33,110**	12,497
Capital expenditure that has been authorised but has not yet been contracted for	**3,548**	32,675	**3,548**	32,675
	36,658	45,172	**36,658**	45,172

Capital commitments will be funded from cash reserves and planned future borrowing.

36 Operating leases

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Land and buildings:				
In one year or less	**175**	145	**4**	4
Between one and five years	**29**	141	**-**	-
In more than five years	**-**	-	**-**	-
	204	286	**4**	4
Office equipment, computer equipment and motor vehicles:				
In one year or less	**780**	509	**7**	8
Between one and five years	**1,839**	1,486	**20**	4
	2,619	1,995	**27**	12

37 Contingent liabilities

The Group receives capital grant from Homes England which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties, the group is required to recycle grant by crediting the Recycled Capital Grant Fund.

During financial year 2017/18, 1,201 properties were transferred from Redwing Living to Regenda Homes as part of an intra-group stock transfer with an associated grant value of £24.0m. The transfer resulted in a surplus on sale of £36.7m which is recorded in the Statement of Comprehensive Income of Redwing Living Limited.

Although the stock transfer has not given rise to a relevant event for the purposes of recycling the grant (as the group retains the property asset) Regenda Homes Limited does have a future obligation to recycle the grant if the property is disposed of.

As the timing of disposal is uncertain, no provision has been recognised in the financial statements.

38 Cash flow from operating activities

	Group 2024 £	Group 2023 £
Surplus for the year	**4,523**	221
Adjustments for non-cash items:		
Depreciation of tangible fixed assets – housing properties	**8,631**	8,426
Depreciation of tangible fixed assets – other	**952**	1,002
Impairment	**278**	2,084
Amortisation of grant	**(2,811)**	(3,026)
Movement in debtors	**(2,350)**	(1,773)
Movement in creditors	**3,678**	1,846
Movement in provisions	**2,894**	1,301
Pension costs less contributions payable	**(1,478)**	(1,514)
Movement in properties held for sale/stock	**1,419**	(137)
Amortisation of intangibles	**542**	43
Unwinding of loan premium	**(265)**	(265)
Amortisation of debt issue costs	**38**	247
Gain on fixed asset investment	**(66)**	(10)
Corporation tax paid	**-**	(714)
Corporation tax charge	**(816)**	-
Interest receivable	**(263)**	(81)
Interest payable	**9,735**	9,661
Surplus on sales of assets	**(1,555)**	(2,436)
Fair value (gains)/losses	**(208)**	283
Net cash generated from operating activities	**22,878**	15,158

39 Related parties

During the year gift aid of £1,000k (2023: £208K) was received from subsidiary undertakings. £Nil (2023: £207k) was received from M&Y Maintenance and Construction, and £Nil (2023: £1,050k) from Regenda Developments. £1,000k (2023: £Nil) was received from Ecogee Limited.

Transactions with other members of the group are disclosed in note 20.

39 Related parties (continued)

The following are subsidiaries whose results have been incorporated into the consolidated accounts on the basis of common control.

Organisation	Status	Country	Principal activity	Basis of control
Redwing Living Limited	Co-operative and Community Benefit Societies	England	Registered Provider	Control over Board membership
M&Y Maintenance and Construction Limited	Company Act	England	Registered Contractor	Ownership of share capital and control over Board membership
McDonald Property Rentals Limited	Company Act	England	Lettings Agent	Ownership of share capital and control over Board membership
Petrus Community	Charity	England	Registered Charity providing community support	Control over Board membership
M&Y (Regenda Partnership) Limited	Company Act	England	Property repairs and build services	Ownership of share capital and control over Board membership
The Learning Foundry Limited	Company Act	England	Training Provider	Ownership of share capital and control over Board membership
Centre 56 Limited	Charity	England	Provide assistance to families in necessitous circumstances	Ownership of share capital and control over Board membership
Regenda Developments Limited	Company Act	England	Developments Agent	Ownership of share capital and control over Board membership
The National Communities Resource Centre Limited	Charity	England	Registered Charity providing community support	Control over Board membership
Ecogee Limited	Company Act	England	Provision of renewables solutions	Ownership of share capital and control over Board membership

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