

Redwing Living Limited

Report & Financial Statements Year Ended 31 March 2023

Co-operative and Community Benefit Society (FCA) no 16213R
Regulator of Social Housing number L0877



Redwing

WE ARE REDWING

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Redwing Living Limited

Report and financial statements for the year ended 31 March 2023

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Members

C Wilson - Chair (resigned 22 September 2022)
P Roberts - Chair (appointed 22 September 2022)
M Birkett
T Hepton (resigned 22 September 2022)
S Bonnette
N Hibbert (appointed 22 September 2022)
A Andani (appointed 22 September 2022)

Registered office

The Foundry, 42 Henry Street, Liverpool, L1 5AY

Auditor

BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

Redwing Living Limited

Strategic report for the year ended 31 March 2023 (*continued*)

The Board present their Strategic report for the year ended 31 March 2023.

Introduction

Redwing is a Commercial Estate Agency/Property Management Company which provides both management services to the Company as well as external clients. In addition to its contribution towards the overarching Group Corporate Plan Objectives, Redwing has its own Business Plan with specific targets set for the business which was approved by the Redwing Management Team Committee in February 2023.

Redwing has a business plan in place for the period April 2023 – March 2026. This sets out the three strategic objectives which are Growth, Customer Satisfaction & Profit for Purpose.

Growth

- **Move from an inward facing RP to a commercially focused company**

To create and develop a culture that balances the needs of our internal clients with a renewed appetite for developing external business.

- **Enhancing future growth and identify new products and services**

By diversifying our sources of income, particularly in relation to our estate agency and business to business Growth, whilst challenging our costs to ensure financial sustainability. Ensuring these align with our values as an ethical landlord and property agency.

Improving customer satisfaction

- **Provide a quality multi tenure housing offer**

To enhance our reputation as a trusted landlord and developer and, above all, to provide a diverse, high quality, housing offer to our customers.

- **Creating strategic alliances and partnerships**

With Key Business, Corporate and private Landlords, Developers, local and regional stakeholder, and influences who share our values and support our purpose.

Profit for purpose

- Maximise profit
- To fund further growth and diversification and support other Group subsidiaries through Gift Aid.

Redwing Living Limited

Strategic report for the year ended 31 March 2023 (*continued*)

Business review

During the financial period Redwing Living Limited (the company) had a post-tax deficit of £2.1m (2022 - post tax deficit of £0.04m) an operating deficit of (£2.1m) (excluding fixed asset property disposals) and an operating margin (excluding fixed asset property disposals) of (44.7%). These results due to necessary expenditures across social and non-social tenures on remedial fire prevention measures of £2.0m in the year. The sale price agreed for MPR (sold in May in 2023) generated an impairment of £155k in its carrying value recognised in the year.

MPR's trade and assets were sold to Tiger Estates Sales and Lettings on 1 May 2023 for £185k. The acquiring company are continuing to use the MPR name and branding.

Redwing is a landlord of 1087 properties, as well Managing Agent of a further 1246 properties of a mixture of tenure including leasehold, shared ownership, PRS and Market Rent. Of the properties within the managed portfolio, 995 properties are owned by Regenda homes, with the remaining 251 properties being owned by external clients.

Principal risks and uncertainties

Strategic risks are those that present the greatest threats to the company. Directly linked to the company's corporate objectives and performance management framework, the company's strategic risks are considered and reviewed at least annually by the Risk and Audit Committee as part of the corporate planning process. The risks are recorded and assessed in terms of their likelihood and impact.

Risk reports are provided to the Board and the company's Risk and Audit Committee on a quarterly basis and include assessments of changes in key risk areas and action taken to manage them. The company's strategic risks are considered below.

Financial

The company has a commercial approach to business. Currently, its main client remains Regenda Homes however the cost of services are provided at a market competitive rate. The company has further increased its external clients in 2022/2023 and this is expected to continue in 2023/2024. It's essential that the company retains its competitive approach to pricing and service delivery to maintain a successful business.

Redwing's operating context will always be directly impacted by shifts in market conditions and the wider economic climate as well as any change to the legislative environment. This year the consequences of the mini-budget in September 2022 had significant consequences on the confidence of the sales market, the availability of mortgage products and affordability for purchasers.

In contrast the rental market has benefited from increased rental values driven by market demand as a result of the slow down in the sales market.

Redwing Living Limited

Strategic report for the year ended 31 March 2023 (*continued*)

Governance

There is a continuous review of the company's governance arrangements in order to respond to diversification and ensure compliance with regulatory and statutory requirements. Our selective use of expert third party advisors and commitment to training staff ensures that the company is further supported when regulatory and legislative changes occur. The company continues its membership with PropertyMark which provides another layer of regulatory assurance.

Legislative

Alongside market volatility, the sector has also had to grapple with a number of radical changes to the legislative environment with far reaching implications for developers, landlords and managing agents. These include: -

- Minimum energy efficiency standards (2018)
- Fitness for Human Habitation Act (2019)
- Tenants Fees Act (2019)
- Compulsory 5 yearly testing of electrical installations in all residential dwellings (2020)
- Fire Safety Bill (2020)
- Leasehold Reform (Ground Rent) Bill (2021)
- Homes England's New Shared Ownership Model (2021)
- Statutory right to extend leases to 990 years where possible (legislation to follow)

Redwing's operating context is directly impacted by such shifts in market conditions and the changing legislative environment and must continue to adapt to keep up with this rapidly moving operating context. Such changes do also however bring opportunities.

- The changing legislative landscape is creating challenges for small amateur landlords and leading to the professionalisation of the PRS, managing agent, and leasehold sectors. This creates a role for professional agents, who can also serve the growing investor backed Build to Rent sector.
- The New Shared Ownership Model, Right to Shared Ownership, First Homes, and that 50% of Homes England's Affordable Homes Programme funding is earmarked for Affordable Home Ownership tenures are all indicators of the government's focus on home ownership in its housing policy. Paired with the termination of the Help to Buy contract puts further administrative pressure on smaller RP's. This is likely to mean there are more RPs and local authority housing companies who are inexperienced in shared ownership and have no (or small) sales and home ownership teams.

Redwing Living Limited

Strategic report for the year ended 31 March 2023 (*continued*)

Supply Chain

In these challenging economic times Redwing continues to focus on the importance of close working relationships with its supply chain to ensure that the risk of disruption is minimised. The company has a Business Continuity Plan that supports a response to a range of potential external issues that may affect the business. Furthermore, the prominence of cyber-attacks has resulted in a review of the Company's IT arrangements which has increased security to ensure compliance with General Data Protection Regulations.

Approval

This Strategic Report was approved by order of the Board on 14 September 2023.



P Roberts
Chair

Redwing Living Limited

Report of the Board for the year ended 31 March 2023

The Board presents its report, together with Redwing Living Limited's (the "Company" or "RWL") audited financial statements, for the year ended 31 March 2023.

Company structure and principal activities

The Company is a public benefit entity administered by a voluntary board which was formed on 29 October 1962. The Company is part of the Regenda Group (the "Group"). The Group's principal activities are the development, ownership, and management of affordable housing.

Business review

The results for the year are shown in the Company Statement of Comprehensive Income on page 16 and results are discussed in the Strategic report in the financial review section.

Housing property assets

Details of changes to the Company's housing property assets are shown in note 13 of the financial statements.

Reserves

After the transfer of the deficit for the year of £2.1m (2022 – deficit of £375k) at the end of the year the Company's reserves amounted to £53,222k (2022 - £55,288k).

Donations

Other than the gift aid listed above the Company made no charitable donations (2022: £nil) and made no political donations (2022: £nil) during the year.

Payment of creditors

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

Employees

The Company is committed to developing a culture in which equality and diversity is integral to all activities, including the recruitment and development of staff. The aim is 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 that views are taken into account when decisions are made that are likely to affect the interests of employees.

The Company shares information on its objectives, progress and activities through team meetings and 1-2-1 meetings.

Redwing Living Limited

Report of the Board for the year ended 31 March 2023 (*continued*)

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Company has prepared detailed health and safety policies applicable to all Group organisations including the Company 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 professional and local experience. The Board members who served during the year ended 31 March 2023 and subsequently are as follows:

C Wilson	– resigned 22 September 2022
Dr M Birkett	
T Hepton	– resigned 22 September 2022
P Roberts (Chair)	
S Bonnette	
N Hibbert	– appointed 22 September 2022
A Andani	– appointed 22 September 2022

The Group's executive team provide Group wide executive level management support to all Group members, including the Company. The Group's executive directors who served throughout the year were as follows:

M Birkett	Group Chief Executive
S Harrison	Executive Director Operations – Customer Services
T Russell	Executive Director Resources
G Kelly	MD of M&Y
F Coventry	Executive Director Property (resigned 18 July 2022)
L Burrows	MD of Positive Footprints
A Andani	Executive Director of Property (appointed 18 July 2022)

Executive directors hold no interest in the Company's shares or in the shares of any Group members. Executive Directors act as executives within the authority delegated by the Board.

Group insurance policies indemnify Board members and officers against liability when acting for the Company.

Further details concerning the executive directors' service contracts and pensions are disclosed in the accounts of Regenda Limited.

Redwing Living Limited

Report of the Board for the year ended 31 March 2023 (*continued*)

Code of Governance

The Company complies with the principal recommendations of the National Housing Federation's code of governance "Excellence in Governance - Code for Members and Good Practice Guidance" (Revised 2015). The Company has made a commitment to adopt the National Housing Federation's Code of Governance 2020 and will report compliance against that code in the 22/23 Financial Statements.

Regulatory Framework

In line with Regulator of Social Housing's requirements under the Regulatory Framework, the Regenda Group confirms full compliance with the Governance & Financial Viability Standard for 2022.

General Data Protection Regulation (GDPR)

GDPR came into force on 25 May 2018 and the Company complies with the legal requirements set out in this new legislation.

Resident involvement

The Company actively encourages residents' involvement in decision-making by promoting mechanisms of resident involvement and encouraging engagement with the resident voice panel.

Value for Money

Value for money metrics are published at a group level in accordance with the accounting direction. These can be found in the consolidated financial statements of Regenda Limited.

Redwing Living Limited

Report of the Board for the year ended 31 March 2023 (*continued*)

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 and the Company is ongoing and has been in place throughout the period commencing 1 April 2021 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 regularly stress tested against a range of possible scenarios with recovery plans to mitigate the impact should these crystallise;
- an assets & liabilities register 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 2015 recently updated) and the Regulator of Social Housing's Regulatory Framework and that 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;

Redwing Living Limited

Report of the Board for the year ended 31 March 2023 (*continued*)

Internal controls assurance (continued)

- established financial regulations including authorisation and appraisal procedures for all significant new initiatives and investment commitments;
- governance related policies including whistle-blowing and anti-fraud policies;
- an annual programme of internal audit reviews that are set and delivered under a riskbased methodology;
- 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 and independent third parties 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;
- recruitment, management and retention of board members, management and staff with the skills and competencies to ensure effective governance and management; and
- a governance framework that includes Board approved terms of reference and delegated authorities for Group Committees.

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 Business Assurance's annual review of the effectiveness of the system of internal control for the Group, which includes the Company, and the annual report of the internal auditor and has reported its findings to the Company's Board.

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 2023/24 budget in March 2023 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 2023.

Redwing Living Limited

Report of the Board for the year ended 31 March 2023 (*continued*)

Going concern (*continued*)

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.

Sustainability

The Regenda Group are committed to the long-term sustainability of our homes and neighbourhoods through intelligent investment. We aim to regenerate places by providing quality homes in sustainable neighbourhoods, while also meeting government targets to reach both net zero by 2050 and EPC C for poor fuel homes by 2030. The Environmental Group will oversee the delivery of our Environmental Strategy, ensuring that environmental, social and governance (ESG) reporting is embedded throughout our Group. The guiding principles for the Group are to improve lives and business outcomes through:

- Carbon neutrality: we commit to a no further harm approach and balancing emissions throughout all activities
- Social Sustainability: to inform and educate, implementing positive change for the Group and communities
- Environmental sustainability: exploring and developing opportunities for the business and communities and adapting to new technologies.

Annual general meeting

The annual general meeting will be held on 22 September 2022.

Disclosure of information to auditor

Each of the persons who are Board members at the time when this report is approved has confirmed that:

- so far as the Member is aware, there is no relevant audit information of which the auditor is unaware, and
- the Member has taken all the steps that ought to have been taken as a Board Member in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

The report of the board was approved by the board on 22 September 2022 and signed on its behalf by:



P Roberts
Chair

Redwing Living Limited

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

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

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

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

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

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

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 2016 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the Company'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 Company's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein. The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Redwing Living Limited

Independent auditor's report to the members of Redwing Living Limited (continued)

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of the Association's deficit 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 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 Redwing Living Limited ("the Association") for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Redwing Living Limited

Independent auditor's report to the members of Redwing Living Limited (continued)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Redwing Living Limited

Independent auditor's report to the members of Redwing Living Limited (continued)

Auditor's responsibilities for the audit of the financial statements *(continued)*

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the entity and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the entity'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 entity 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 health and safety legislation etc.

Our procedures in respect of the above included:

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

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 entity'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.

Redwing Living Limited

Independent auditor's report to the members of Redwing Living Limited (continued)

Auditor's responsibilities for the audit of the financial statements *(continued)*

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation in relation to posting inappropriate journal entries to revenue as well as timing of the recognition of other income items.

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 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
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BDO LLP
Statutory Auditor
6 Hardman St, Manchester

Date: 28 September 2023

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

Redwing Living Limited

Company statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	4	4,627	4,299
Cost of sales	4	(37)	(31)
Operating costs	4	(6,658)	(4,925)
Surplus on sale of fixed assets	10	569	641
Operating deficit	4,7	(1,499)	(16)
Interest receivable and other income	11	328	7
Loss on revalued properties	16	(95)	(97)
Provision for development defects (Caton)		(1,300)	-
Impairment of investment in subsidiaries	17	(155)	(28)
Deficit before taxation		(2,721)	(134)
Taxation on deficit on ordinary activities	12	655	(241)
Deficit for the financial year		(2,066)	(375)
Total comprehensive (expense) for the year		(2,066)	(375)

The Company's results relate wholly to continuing activities.

The financial statements were approved by the Board of Directors on 14 September 2023 and authorised for issue.

P A Roberts

Michael R Birkett

J Vincent

P Roberts
Chair

M Birkett
Board Member

J Vincent
Secretary

The notes on pages 19 to 48 form part of these financial statements.

Redwing Living Limited

Company statement of financial position for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets – Housing properties	13	30,073	31,432
Tangible assets – Other	14	2,834	2,899
Intangible fixed assets	15	1	6
Investment properties	16	7,413	7,393
Investment in subsidiaries	17	185	340
		40,506	42,070
Current assets			
Trade and other debtors	18	22,137	18,371
Cash and cash equivalents		3,070	7,681
		25,207	26,052
Creditors: amounts falling due within one year	19	(2,119)	(2,686)
Net current assets		23,088	23,366
Total assets less current liabilities		63,594	65,436
Creditors: amounts falling due after more than one year	20	(9,072)	(9,560)
Provision for liabilities			
Deferred taxation	23	-	(588)
Provision for development defects (Caton)	24	(1,300)	-
Net assets		53,222	55,288

Redwing Living Limited

Company statement of financial position for the year ended 31 March 2023 (continued)

	Note	2023 £'000	2022 £'000
Reserves			
Share capital	26	-	-
Income and expenditure reserve	27	53,222	55,288
		<hr/>	<hr/>
Total reserves		53,222	55,288
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 14 September 2023 and authorised for issue.

P A Roberts

Michael R Birkett

J Vincent

P Roberts
Chair

M Birkett
Board Member

J Vincent
Secretary

The notes on pages 19 to 48 form part of these financial statements.

Redwing Living Limited

Company statement of changes in reserves for the year ended 31 March 2023

	Income and Expenditure Reserve £'000
Balance as at 1 April 2021	56,640
Deficit for the year	(375)
Gift Aid paid	(977)
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Balance as at 31 March 2022	55,288
Deficit for the year	(2,066)
Gift Aid paid	-
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Balance as at 31 March 2023	53,222
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The notes on pages 19 to 48 form part of these financial statements.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023

1 Legal status

The Company 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 Company is a public benefit entity.

Accounting policies

Basis of accounting

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

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and 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 Company's accounting policies.

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

The accounts of Redwing Living Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes
- financial instrument disclosures, including:
- categories of financial instruments
- items of income, expenses, gains or losses relating to financial instruments, and
- exposure to and management of risks

Exemption from preparing consolidated accounts

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

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 2023/24 budget in March 2023 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 2023.

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.

Turnover

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

- Rental income receivable (after deducting lost rent from void properties available for letting);
- First tranche sales of Low Cost Home Ownership housing properties developed for sale;
- Service charges receivable;
- Revenue grants; and
- Proceeds from the sale of land and property.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from first tranche sales and sales of properties are recognised at the point of legal completion of the sale.

Interest receivable is recognised over the period that it falls due.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Pension costs

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

Value added tax

The Company 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 Company 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:

- a) interest on borrowings specifically financing the development programme after deduction related grants received in advance; or
- b) a fair amount of interest on borrowings of the Company as a whole after deduction of SHG 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.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Leases

Leased 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 Company. 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 Company 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 Company recognises annual rent expense equal to amounts owed to the lessor.

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

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Deferred taxation

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

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

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

Deferred tax is recognised when income or expenses from 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

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.

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 Company has a legally enforceable right to set off 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.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

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 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.

Supported housing managed by agencies

Social housing capital grants are claimed by the Company as developer and owner of the property and included in the Company 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 Company and its managing agents and on whether the Company carries the financial risk.

Where the Company 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 Company statement of changes in reserves.

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 Company.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Government grants

Government grants include grants receivable from the 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 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 income and expenditure.

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 Company 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 Company is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Depreciation of housing properties

The Company 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 Company 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%

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.

The principal terms used for other assets are:

Freehold/leasehold office	-	100 years
Furniture, fixtures and fittings	-	10 years
Computers and office equipment	-	2-8 years
Scheme assets	-	4-25 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.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is charged on software over 3 years on a straight line basis.

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.

Fixed asset investments

Fixed asset investments (including investment in subsidiaries) are initially recognised at cost. The carrying values of fixed asset investments are reviewed for impairment in the period if events or changes in circumstances indicate the carrying values may not be recoverable.

Properties 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 at amortised historic cost.

Debtors

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

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

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.

Creditors

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

Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company 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 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 income or expenditure in the period it arises.

The Company 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.

Leaseholder funds

Sinking funds are held on the Company statement of financial position in respect of sinking funds and repairs reserves for schemes. These are retained in interest-bearing accounts.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

2 Accounting policies (*continued*)

Reserves

The Company has an income and expenditure reserve. This contains all current and prior period retained surpluses and deficits.

Taxable profits transferred to the parent entity, a registered Co-operative and Community Benefit Society, are recognised as distributions from equity when the company has made a payment of tradeable profits to the parent and are stated as gift aid distributions.

Gift aid

The whole of the ordinary share capital of the Company is owned by Regenda Limited, a company limited by shares and a registered provider. The Company, from time to time, pays to its parent company under the provisions related to Gift Aid, a sum based on the taxable profits of the Company. The payment of Gift Aid is subject to the reserves policy, and the approval of the parent Company.

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

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:

- Accruals - these are based on either a copy of invoice if one is available, or a best estimate of the expenditure/income based on the most up to date information available.
- Bad debt provision - Bad debts are provided for in line with the Company's policy.
- Property valuations – social housing properties are held at cost and are subject to an impairment review each year. Commercial properties are valued by appointed valuers each year and their market value reflected in the financial statements.
- Impairment reviews – 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 Company 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.

There was no trigger for impairment during the year and as a result, no charge was considered necessary.

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

4 Particulars of turnover, operating costs, cost of sales and operating surplus/(deficit)

	2023			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus /(deficit) £'000
Income and expenditure from social housing activities (note 5)				
General Needs	562	-	(511)	51
Supported housing	228	-	(266)	(38)
Low cost home ownership	2,410	-	(1,707)	703
	3,200	-	(2,484)	716
Other social housing activities				
Management services	438	-	(26)	412
	438	-	(26)	412
Non-social housing activities				
Sales - Other	177	(37)	(398)	(258)
Lettings	812	-	(3,750)	(2,938)
	989	(37)	(4,148)	(3,196)
	4,627	(37)	(6,658)	(2,068)
Surplus on disposal of fixed assets				569
Operating deficit				(1,499)

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

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

	2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus /(deficit) £'000
Income and expenditure from social housing activities (note 5)				
General Needs	561	-	(580)	(19)
Supported housing	273	-	(235)	38
Low cost home ownership	2,340	-	(1,486)	854
	<u>3,174</u>	<u>-</u>	<u>(2,301)</u>	<u>873</u>
Other social housing activities				
Management services	158	-	(8)	150
	<u>158</u>	<u>-</u>	<u>(8)</u>	<u>150</u>
Non-social housing activities				
Sales - Other	171	(31)	(317)	(177)
Lettings	796	-	(2,299)	(1,503)
	<u>967</u>	<u>(31)</u>	<u>(2,616)</u>	<u>(1,680)</u>
	<u>4,299</u>	<u>(31)</u>	<u>(4,925)</u>	<u>(657)</u>
Surplus on disposal of fixed assets				<u>641</u>
Operating deficit				<u>(16)</u>

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

5 Income and expenditure from social housing lettings

	2023			
	General needs Housing £'000	Housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	306	188	1,335	1,829
Service income	36	40	514	590
Net rental income	342	228	1,849	2,419
Other income	-	-	561	561
Amortised government grants	221	-	-	221
Turnover from social housing lettings	563	228	2,410	3,201
Expenditure				
Management	(16)	(11)	(474)	(501)
Services	(46)	(71)	(676)	(793)
Routine maintenance	(38)	(42)	(48)	(128)
Planned maintenance	(103)	(85)	(250)	(438)
Bad debts	-	(1)	-	(1)
Depreciation of housing properties	(304)	(56)	(202)	(562)
Other costs	(4)	(1)	(57)	(62)
Operating costs on social housing lettings	(511)	(267)	(1,707)	(2,485)
Operating (deficit)/surplus on social housing lettings	52	(39)	703	716
Void losses	(9)	(27)	(15)	(51)

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

5 Income and expenditure from social housing lettings (continued)

	2022			
	General needs Housing £'000	Housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	306	176	1,322	1,804
Service income	34	97	479	610
Net rental income	340	273	1,801	2,414
Other income	-	-	539	539
Amortised government grants	221	-	-	221
Turnover from social housing lettings	561	273	2,340	3,174
Expenditure				
Management	(22)	(10)	(384)	(416)
Services	(40)	(51)	(577)	(668)
Routine maintenance	(24)	(46)	(29)	(99)
Planned maintenance	(191)	(71)	(216)	(478)
Bad debts	(1)	-	-	(1)
Depreciation of housing properties	(300)	(56)	(202)	(558)
Other costs	(2)	(1)	(78)	(81)
Operating costs on social housing lettings	(580)	(235)	(1,486)	(2,301)
Operating (deficit)/surplus on social housing lettings	(19)	38	854	873
Void losses	-	(41)	(14)	(55)

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

5 Income and expenditure from social housing lettings (*continued*)

Particulars of turnover from non-social housing lettings

	2023	2022
	£'000	£'000
Market rented	435	459
Office and retail units	377	337
Administration fees for outright sale management	177	171
	989	967

6 Units of Housing Stock

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

	2022 units	Additions	Disposals	Other	2023 units
Social housing					
General housing	126	-	(1)	11	136
Affordable housing	3	-	(1)	-	2
Supported housing and housing for older people	67	-	(3)	-	64
Low-cost home ownership	648	-	(24)	1	625
	<u>844</u>	<u>-</u>	<u>(29)</u>	<u>12</u>	<u>827</u>
Total owned	844	-	(29)	12	827
Accommodation managed for others	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total managed	844	-	(29)	12	827
Leasehold units					
Social leasehold units owned	239	-	-	-	239
Non-social leasehold units	11	-	-	25	36
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-social housing					
Market rented	80	3	(1)	197	279
Office and retail units owned by the Company	37	-	-	-	37
	<u>1,211</u>	<u>3</u>	<u>(30)</u>	<u>234</u>	<u>1,418</u>
Total owned and managed	1,211	3	(30)	234	1,418

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

7 Operating surplus/(deficit)

	2023 £'000	2022 £'000
This is arrived at after charging:		
Depreciation of housing properties	561	558
Depreciation of other tangible fixed assets	70	72
Amortisation of intangibles	5	9
Auditors' remuneration (excluding VAT):		
- for audit services	26	14
- tax compliance	2	2
- for non-audit services	-	-
	<u> </u>	<u> </u>

8 Employees

	2023 £'000	2022 £'000
Average number of employees expressed in full time equivalents:		
Home ownership and sales	9	12
Housing, support and care	13	7
	<u> </u>	<u> </u>
	22	19
	<u> </u>	<u> </u>

Staff costs consist of:

Wages and salaries	665	517
Social security costs	71	66
Other pension costs	30	23
	<u> </u>	<u> </u>
	766	606
	<u> </u>	<u> </u>

Most staff functions have been centralised across the Group. Regenda Limited charges the Company for a range of services including staffing as part of the intra-group charge. This charge is included within operating costs.

A defined contribution pension scheme is operated by the parent company on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £30k (2022: £23k).

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

9 Board members and executive directors

During the year, the Company paid Regenda Limited, the Group parent, for a range of central services including the provision of support from the Regenda Group executive team.

The payments form part of an intra group charge from Regenda Limited to the Regenda Group subsidiaries and are included within operating costs. Remuneration paid to and receivable by the Regenda Group executive team is disclosed in the financial statements of the Group parent, Regenda Limited. Copies of the financial statements of the Group parent, Regenda Limited can be obtained from the Company's registered office.

Total salary costs of key management personnel in the period were £Nil (2022 - £Nil).

10 Surplus on sale of fixed assets – housing properties

	2023	2022
	£'000	£'000
Proceeds of sale	1,719	2,248
Carrying values of fixed assets	(784)	(1,244)
	<hr/>	<hr/>
	935	1,004
Capital grant recycled (note 22)	(366)	(363)
	<hr/>	<hr/>
Surplus for the year	569	641
	<hr/>	<hr/>

11 Interest receivable and other income

	2023	2022
	£'000	£'000
Interest receivable and similar income	328	7
	<hr/>	<hr/>

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

12 Tax on surplus/(deficit) on ordinary activities

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on surplus/(deficit) for the year 19% (2022 - 19%)	-	-
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax	-	
Deferred taxation		
Origination and reversal of timing differences	(672)	375
Effect of tax rate change on opening balance	17	51
Adjustments in respect of prior periods	-	(185)
	<hr/>	<hr/>
Total deferred tax	(655)	241
	<hr/>	<hr/>
Tax charge on surplus/(deficit)	(655)	241
	<hr/>	<hr/>
Current tax reconciliation		
Deficit for the period before taxation	(2,720)	(134)
	<hr/>	<hr/>
Deficit at the standard rate of corporation tax in the UK of 19 (2022 – 19%)	(517)	(25)
Effects of:		
Expenses not deductible for tax purposes	47	24
Income not chargeable to corporation tax	-	-
Fixed asset differences	9	(5)
Remeasurement of deferred tax for changes in tax rates	(161)	141
Amounts relating to other comprehensive income	-	186
Adjustment in respect of prior periods	-	-
Adjustment to tax charge in respect of prior periods deferred tax	17	(186)
Chargeable gains	(50)	106
	<hr/>	<hr/>
Total tax charge for the period	(655)	241
	<hr/>	<hr/>

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

13 Tangible fixed assets – housing properties

	Social Housing Completed £'000	Low cost home ownership Completed £'000	Total Housing Properties £'000
Property cost			
At 1 April 2022	2,892	35,367	38,259
Properties acquired	-	-	-
Works to existing properties	72	-	72
Disposals	(32)	(1,023)	(1,055)
Transfer	(12)	-	(12)
At 31 March 2023	2,920	34,344	37,264
Depreciation			
At 1 April 2022	2,122	4,705	6,827
Charge for the year	218	343	561
Eliminated in respect of disposals	(12)	(146)	(158)
Transfer	(39)	-	(39)
At 31 March 2023	2,289	4,902	7,191
Net Book Value			
At 31 March 2023	631	29,442	30,073
At 31 March 2022	770	30,662	31,432

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

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

Expenditure on works to existing properties	2023 £'000	2022 £'000
Components capitalised	58	567
Amounts charged to income and expenditure account	2,285	1,203
	2,343	1,770

Social housing assistance

Total accumulated Social Housing Grant received and receivable at 31 March was:

Capital grants	7,545	8,132
Revenue grants	221	221
	7,766	8,353

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

14 Tangible fixed assets – other

	Freehold/ Leasehold Premises £'000	Furniture, fixtures and fittings £'000	Computers and office equipment £'000	Scheme Assets £'000	Total £'000
Cost					
At 1 April 2022	4,680	284	34	69	5,067
Additions	-	-	3	6	9
Disposals	-	-	(4)	(6)	(10)
At 31 March 2023	4,680	284	33	69	5,066
Depreciation and amortisation					
At 1 April 2022	1,975	122	19	52	2,168
Charge for the year	33	25	9	3	70
Eliminated in respect of disposals	-	-	(3)	(3)	(6)
At 31 March 2023	2,008	147	25	52	2,232
Net Book Value					
At 31 March 2023	2,672	137	8	17	2,834
At 31 March 2022	2,705	162	15	17	2,899

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

15 Intangible fixed assets

	Website Development £'000
Cost	
At 1 April 2022	34
Additions	-
Disposals	-
	<hr/>
As at 31 March 2023	34
	<hr/>
Amortisation	
At 1 April 2022	28
Charge for the year	5
	<hr/>
As at 31 March 2023	33
	<hr/>
Net book value	
At 31 March 2023	1
	<hr/>
At 31 March 2022	6
	<hr/>

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

16 Investment properties non-social housing properties held for lettings

	2023 £'000	2022 £'000
At 1 April	7,393	7,893
Additions	425	489
(Increase)\decrease in market value	(95)	(97)
Disposals	(310)	(892)
At 31 March	7,413	7,393

Valuations are carried out on an annual basis by a suitably qualified valuer and any gains/losses taken to the Company statement of comprehensive income.

17 Investment in subsidiaries

	2023 £'000	2022 £'000
Investment in McDonald Property Rentals Limited		
Cost as at 1 April	340	368
Impairment of investment	(155)	(28)
Cost as at 31 March	185	340

There has been an impairment of £155k (2022: £28k) in line with the realisable sales value.

MPR was sold in May 2023.

During the year the Company had the following intra-group transactions with M&Y Maintenance and Construction Limited and McDonald Property Rental Limited, both non-regulated entities.

M&Y Maintenance and Construction Ltd	2023 £'000	2022 £'000
Provision of repairs and maintenance services	(1,794)	(1,295)
McDonald Property Rentals Ltd	2023 £'000	2022 £'000
Management of market rented stock	-	(9)

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

18 Trade and other debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Rent and service charges receivable	87	104
Less provision for bad and doubtful debts	(56)	(64)
Net rent arrears	31	40
Other debtors	146	118
Amounts owed by group undertakings	21,860	18,171
Corporation tax	5	5
Deferred tax (see note 23)	67	-
Prepayments and accrued income	28	37
	22,137	18,371

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

19 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	213	126
Rent and service charges received in advance	265	231
Amounts owed to group undertakings	7	656
Other creditors	422	422
Accruals and deferred income	229	171
Recycled capital grant fund (note 22)	346	513
Deferred grant income (note 21)	221	221
Leaseholder funds	416	346
	2,119	2,686

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

Redwing Living Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

20 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Recycled capital grant fund (note 22)	802	782
Sinking funds	946	868
Deferred grant income (note 21)	7,324	7,910
	<u>9,072</u>	<u>9,560</u>

21 Deferred grant income

	2023 £'000	2022 £'000
At 1 April	8,132	8,642
Grants received in the year	-	-
Released to income in the year	(221)	(221)
Grant disposed in the year	(366)	(290)
	<u>7,545</u>	<u>8,131</u>
At 31 March	7,545	8,131
Amounts to be released within one year	221	221
Amounts to be released in more than one year	7,324	7,910
	<u>7,545</u>	<u>8,131</u>
At 31 March	7,545	8,131

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

22 Recycled capital grant fund

	2023 £'000	2022 £'000
At 1 April	1,295	1,284
Grants recycled	366	363
Transfer to/from other group members	(513)	(335)
Transferred to income and expenditure	-	(17)
	<hr/>	<hr/>
At 31 March	1,148	1,295
	<hr/>	<hr/>
Amounts to be released within one year	346	513
	802	782
Amounts to be released in more than one year	<hr/>	<hr/>
At 31 March	1,148	1,295
	<hr/>	<hr/>
Amounts 3 years or older where repayment may be required	-	-

23 Deferred tax

	2023 £'000	2022 £'000
At 1 April	(588)	(347)
Transfer from income and expenditure	655	(241)
	<hr/>	<hr/>
At 31 March	67	(588)
	<hr/>	<hr/>
Comprising:		
Fixed asset timing differences	(171)	(168)
Losses and other deductions	(399)	(464)
Capital gains	637	44
	<hr/>	<hr/>
	67	(588)
	<hr/>	<hr/>

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

24 Provisions for liabilities

	2023 £'000	2022 £'000
At 1 April	-	-
Provision charged to income and expenditure	1,300	-
	<hr/>	<hr/>
At 31 March	1,300	-
	<hr/>	<hr/>

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

25 Operating leases

At the year end the company had the following future minimum amounts receivable under operating leases:

	2023 £'000	2022 £'000
Due within one year	10	9
Due between one and five years	13	43
Due in more than five years	-	24
	<hr/>	<hr/>
At 31 March	23	76
	<hr/>	<hr/>

26 Share capital

	2023 £	2022 £
<i>Allotted, issued and fully paid</i>		
At 1 April and 31 March	5	5
	<hr/>	<hr/>

The shares provide members with the right to vote at general meetings, but do not provide any right to dividends or distribution on winding up. Each non-executive member of the board and the parent Regenda Limited holds one voting share of £1 in the Company. Each share has a nominal value of £1.

Redwing Living Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

27 Income and expenditure reserves

The reserves relate to retained profits within the company.

28 Related parties

Under Financial Reporting Standard 102 disclosure is not required of transactions within the group as the results of the subsidiaries are included within these financial statements. However, in accordance with Accounting Direction for Private Registered Providers of Social Housing 2019 the Company is obliged to disclose transactions with non-regulated subsidiaries (note 17).

Residents sit on internal committees within the Group but are not members of the board.

29 Contingent liabilities

The Company had no contingent liabilities as at 31 March 2023 (2022 - £Nil).

30 Ultimate parent undertaking

The Company's ultimate parent undertaking is Regenda Limited. Regenda Limited's consolidated financial statements can be obtained from the Group's registered office, The Foundry, 42 Henry Street, Liverpool, L1 5AY.