

# **Regenda Limited**

## **Report and Financial Statements**

**Year Ended  
31 March 2023**

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 2023

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### Members

C Wilson (Chair) (resigned 22 September 2022)  
P Roberts (appointed as Chair 22 September 2022)  
T Hepton (resigned 22 September 2022)  
M Birkett  
C Stuble (resigned 15 September 2022)  
S Bonnette  
T Jones  
J Wild (deceased 15 September 2022)  
J Wood  
L Dixon  
M Pierre  
J Green (resigned 23 June 2022)  
R Cressey (appointed 22 September 2022)  
N Hibbert (appointed 22 September 2022)

### Secretary and registered office

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

### Auditor

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

# Regenda Limited

## Strategic report for the year ended 31 March 2023

### Group Highlights – Five-year summary

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
<b>Statement of Comprehensive Income</b>					
Turnover	76,616	72,439	75,868	70,703	68,932
Operating surplus	9,262	11,791	16,825	9,017	18,787
Surplus retained	221	1,349	8,789	199	11,043
Actuarial gain/(loss) in pension scheme	(1,718)	3,930	(4,897)	5,383	(8,291)
<b>Statement of Financial Position</b>					
Housing properties net of depreciation	492,135	490,645	490,544	486,140	483,439
Investment properties	31,423	29,966	28,363	23,906	7,221
	523,558	520,611	518,907	510,046	490,660
Other fixed assets	10,203	10,303	10,138	10,485	10,040
Goodwill	4,894	-	-	150	217
Investment in associate	-	-	184	-	-
Fixed asset investments	407	-	-	-	-
Net current (liabilities)/assets	(5,886)	524	7,723	3,880	8,094
	533,176	531,438	536,952	524,561	509,011
Total assets less current liabilities	533,176	531,438	536,952	524,561	509,011
Loans due over 1 year	206,988	205,123	209,476	205,203	188,319
Other long-term liabilities	227,385	226,805	228,378	228,167	228,608
Pension liability	7,332	7,128	12,311	8,613	15,088
Provisions for liabilities	1,309	723	407	-	-
Endowment reserves	111	110	110	102	101
Restricted reserves	1,377	1,371	1,396	1,374	1,407
Revenue reserves	88,674	90,178	84,874	81,102	75,488
	533,176	531,438	536,952	524,561	509,011
<b>Housing properties owned and managed at year end</b>					
Social housing	12,691	12,741	12,777	12,743	12,867
Non-social housing	488	238	242	224	136
	13,179	12,979	13,019	12,967	13,003
<b>Statistics</b>					
Operating surplus (excluding fixed asset disposals and revaluations) as % turnover	9.3%	15.18%	19.99%	14.35%	22.60%
Operating Margin – SH Lettings	19.7%	22.80%	28.92%	23.37%	30.50%
Rent losses (voids and bad debts as % of rent and service charges receivable)	0.59%	1.54%	1.72%	2.33%	1.26%
Rent arrears (gross arrears as a % of rent and service charges receivable)	5.58%	5.69%	5.65%	5.75%	5.28%
Interest cover EBITDA- MRI	42.05%	98.78%	156.94%	98.33%	145.0%
Gearing (total loans/net housing fixed assets)	41.31%	40.00%	38.84%	40.37%	36.90%

# Regenda Limited

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

### **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.

### **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, registered under the Co-operative and Community Benefits Societies Act, 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 affordability 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.

# Regenda Limited

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

### Core purpose and values (continued)

Our values were reviewed in 2022/23, and were defined as:

- 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 operating environment continues to be characterised by volatility, which whilst extremely challenging, also presents opportunities. Specifically, there are considerable financial pressures within the Registered Provider sector arising from economy-wide inflation, fire safety costs, energy efficiency targets and a sustained increase in general repair costs, construction, and development pressures at a time when social rental income has been capped at 7% for 2023/24. The rent cap imposed by the Government aims to help limit the impact of the rising cost of living for customers. The impact of Covid-19 adversely affected many of our residents over the past three years and the incidence of financial hardship, fuel poverty and overall poverty is increasing. Our diverse service offer, incorporating quality housing, care and support, training, education and apprenticeships will be at the heart of helping people through difficult times.

Our revised Group Corporate Plan 2023 to 2025 builds upon our achievements to date and sets out an ambitious agenda that ensures we continue to strengthen our existing strong foundations and respond with confidence to the challenging and dynamic operating environment in which we work.

Our Plan also reflects our approach to the environmental challenges that we all face, the equality, diversity and inclusion imperative in our work and the importance of our customers being at the centre of what we do.

We are aware of the considerable challenges ahead but are confident in our ability to meet our targets and realise ambitious goals, thriving as we grow and providing first class products and services to greater numbers of people.

Every organisation in the Group wants to do the right thing for the people and places in which we work - and by being part of the Group we can see, and reach, so much further together.

Our group structure allows us to treat people as just that – individuals, who like many of us, need to access all kinds of support and services at different stages of life.

It is a way of making connections across those different services and finding opportunities so people can ultimately stand taller, and reach further, too. It is also a way of channelling the incredible energy, talent and commitment of staff working across our organisations.

# Regenda Limited

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

### Operating Context (continued)

Examples of how our group structure helps us to optimise value for money and the impact we can make on the communities in which we work include:

M&Y Maintenance & construction Limited's inclusion in the group structure 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 charged 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 Learning Foundry and Ecogee will be included in the VAT group in the coming year and will also contribute to the input VAT reclaimed using the 'Partial Exemption Special Method' (PESM).

In addition, M&Y's inclusion in the group structure ensures that the group is protected from any potential contractor failures, which are more likely to happen during the current challenging economic environment, as M&Y is financially strong and can deliver any works required. It should be noted that M&Y have recently taken on two development schemes which were initially contracted to third party developers who could not complete them due to their inability to meet their financial obligations.

Annually Regenda uses an independent consultancy to review the Schedule of Rates applied for repairs and maintenance work by M&Y on an annual basis. The review considers the wider market and specifically considers movement in material and labour costs. In January 2023, the review concluded that Regenda's rate of plus 11.8% continues to compare well with the market as demonstrated by recent tenders, reflecting bottom end of the range of rates seen. As a result of the independent review the Schedule of Rates was increased by 6.44%, taking the rates to slightly below the median benchmark of plus 19%.

Ecogee's inclusion in the group ensures that the group can deliver all retrofit and energy improvement works required in the most cost-efficient way while being protected by any potential contractor failures.

# Regenda Limited

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

### Benchmark Group

Throughout this report we compare our performance against the regulator's value for money metrics at a national and local level.

Metrics	National Benchmark Group	Local Peer Group
The Regulator of Social Housing VFM metrics	National median – all registered providers. Source: Global accounts 2022 (all registered providers)	All traditional and LSVT (over 12 years) within the Northwest with between 10,000 and 20,000 units. 9 Registered Providers: <ul style="list-style-type: none"><li>• ForHousing Limited,</li><li>• Livv Housing Group,</li><li>• Magenta Living,</li><li>• One Manchester,</li><li>• One Vision Housing Limited,</li><li>• Plus Dane Housing Limited,</li><li>• Progress Housing Group Limited,</li><li>• Regenda Limited,</li><li>• Wythenshawe Community Housing Group Limited</li></ul>
Operational performance metrics	Housemark – National traditional and registered providers and LSVTs with between 10,000 and 20,000 units (*up to 70 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 and this year we revised our Group Corporate Plan (GCP) and associated performance targets to reflect the new operating environment, cost of living crisis and recent rent cap.

In 2022/23 we continued to adjust our services to meet demands following the impact of Covid-19 pandemic and within the current economic context of rising costs and increasing pressures within the labour market.

In response to this, we changed our service standards to manage the impact of the economic operating environment on staffing and resource availability which caused delays and a backlog of services our customers require. 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.

# Regenda Limited

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

### Our Brand

An overview of our performance is outlined below. Performance against the VFM metrics is detailed on page 20.

					Benchmark	
Pillar 1 Our Brand	Target	Actual 2022/23	Actual 2021/22	Actual 2020/21	National Median	Local Peer Group
Net Promoter Score (NPS)	+30	+34	+36	+40	32*	NA
Return on investment Marketing activities	4:1	19:1	8:1	5:1	NA	NA

\*Source: <https://survicate.com/nps-benchmarks/>

Our objective is to strengthen the Regenda Group's reputation through its brand.

**NPS:** Net Promoter Score aims to measure customer loyalty and satisfaction. It is calculated by asking customers how likely they are to recommend us to family and friends and can be used to help improve the customer experience.

Both HouseMark and the Institute of Customer Services has noted lowering levels of customer satisfaction in recent years. Our target therefore reflected this together with consideration that we had increased our response times in recent years as we worked through the backlog of repairs caused by the pandemic in the previous year. We took proactive steps to manage customer expectations and keep them informed of any delays including targeted communication to customers. Whilst our NPS score is lower than 2021/22, it exceeded our target and compares well to the benchmark.

In 2023/24 we are reviewing how we communicate with customers, ensuring we are accessible and transparent. Our approach will align to the new regulatory consumer standards and address recommendations for the housing sector made by the Housing Ombudsman Service.

**Marketing Activities:** As a group with both charitable and commercial entities, it is important that we optimise value in all that we do. We therefore assess the return on investment for marketing activities aiming to achieve a minimum £4 return for every £1 spent. We will continue to assess marketing requests and activities on this basis.

In 2022/23 we exceeded our target achieving £19 return for every £1 we spent on marketing activities. This is important not only from an efficiency and value for money perspective but also with regards to wider social value that this brings to the group. For example, The Learning Foundry's annual summer marketing campaign is designed to target young residents who are disengaged with education and at high risk of becoming NEET (Not in Education, Employment or Training). By producing a creative and highly targeted campaign that resonated with the audience and their influencers (peers, family and referral partners) we achieved 82 enrolments from a target of 75. 62 of which completed the programme and went onto further education or employment.

# Regenda Limited

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

### Our Brand (continued)

<b>Pillar 2 Our financial performance and digital advancement</b>	<b>Target</b>	<b>Actual 2022/23</b>	<b>Actual 2021/22</b>	<b>Actual 2020/21</b>	<b>Benchmark</b>	
					<b>National Median 2021/22(1)</b>	<b>Local Peer Group (2)</b>
Ratings from the Regulator of social housing	G1/V1	G2/V2	G1/V1	G1/V1	G1/V1	G1/V1
Income collection	99.7%	99.2%	100.9%	100.0%	100.3%	100.2%
EBITDA MRI – Interest cover	71%	42.1%	98.8%	156.5%	146.0%	133.0%
Operating margin – social housing lettings	19.8%	19.7%	22.8%	28.92%	23.3%	19.7%
Operating margin – overall	10.9%	9.3%	15.2%	20.0%	20.5%	16.9%
Headline social housing cost per unit	£4,595	£4,451	£3,958	£3,505	£4,150	£4,007
Achieve Cyber Essentials Plus Accreditation	Pass	Pass	NA	NA	NA	NA

1. The RSH use a median figure because there are extreme outliers in their data – the median for each metric is the middle value in the dataset.
2. The peer groups financial figures are aggregated and then metrics are calculated using the total figures.

### Regulatory Grading

We are rated G2 and V2 against the Regulator of Social Housing Governance and Viability standards. This means we remain compliant but with areas for improvement. We have plans in place to improve our Governance rating but anticipate that we will remain at V2 like many other registered providers in the current economic climate.

### Income Collection

The proportion of income collected reduced compared to the previous year from 100.9% to 99.2% against a target of 99.7%. Our target reflected that we anticipated that performance to reduce within the year as customers feel the impact of the cost-of-living crisis. Performance was further impacted however due to the timing of when we receive some rent payments for period 12 (March 2023) falling outside of the financial year in some Local Authority areas.

We aim to improve performance by continuing to proactively steering customers who may be financially impacted towards support available to them in advance of them moving into arrears. We are closely monitoring the continued migration from Housing Benefit to Universal Credit and providing targeted communications to tenants to remind them of the importance of paying their rent on time.

# Regenda Limited

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

### **Income Collection (continued)**

In 2022/23 we helped 1,343 Regenda customers secure an additional £2.2 million in benefits and grants. This was money that they did not know they were entitled to and was used to improve lives and sustain tenancies. Like many housing associations we are continuing to support customers impacted by the rising living costs and fuel poverty crisis which is likely to impact on our residents within the financial year. We are providing regular targeted communication and guidance to customers regarding advice and financial support available for those who may struggle in the coming months.

### **EBITDA-MRI**

Interest cover (at Group level) achieved in the year was 42.1% (2022 98.8%). The main reasons for the decline in this measure compared to the prior year is a £3.0m reduction in the group's operating surplus (this is stated not including the movement in fair value of investment properties) and increase of £2.0m in the amount of capitalised component replacements achieved in the year. The £3.0m reduction in operating surplus is due to a discrete range of non-repeating expenditures in the year. A provision of £1.3m has been recognised in respect of defect works at the Caton development. The costs of restructure / redundancies were recognised in the year of £0.58m along with £0.42m of rent refunds identified. There was also the additional cost of impairment in the year, compared to the previous year, of nearly £1.2m. These expenditures being partially offset by a reduction in repairs and maintenance expenditure of nearly £0.47m. While the additional cost of impairment cost was driven by our development programme, the impact of the non-repeating expenditures was to reduce EBITDA-MRI from our target of 77.6% to an outturn of 42.1%.

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 2022/23 target. Interest Cover performance for 2022/23 is compliant with lender covenants.

### **Operating Margin**

Operating margin (overall) reduced to 9.3% (from 15.2% 2021/22). Without the non-repeating expenditures referred to above operating margin overall for the year would have been 13.9%. Operating margin on social housing lettings reduced to 19.7% (from 22.8% 2021/22). The result at social housing lettings level being heavily impacted by the almost £1.2m increase in impairment, and the expenditures around redundancy and rent refunds recognised in the year. Without these additional costs Operating margin on social housing lettings would have been 23.3%.

The subsidiaries within the Group are vital to the delivery of our core purpose. However, some have experienced financial challenge. In the year under review, their combined financial performance was a loss of the subsidiaries was £2.8m. This consists of a loss of £2.1m in Redwing which included fire safety improvements to properties costing £2.0m and the additional costs for a development scheme in Caton resulting from the contractor becoming insolvent and ceasing to trade. Without these exceptional costs, Redwing's underlying performance is £1.2m profit. The charities Petrus Community and Centre 56 made losses of £0.5m and £0.3m respectively due to planned improvements funded by reserves. However, the subsidiaries made a full contribution to group services of £3m, have sufficient cash and other reserves to continue their vital work, and are not financially supported in any way by either Regenda or Redwing.

# Regenda Limited

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

### Headline Cost Per Property

Outturn performance (social housing lettings) increased within the year by £493 per unit and remains within target. This is above the national median (£4,150) when compared to 2021/22 Global Accounts data. The costs have been largely driven by stock condition survey requirements.

Total expenditure on capitalised components was £10.1m (£2.0m higher in the year compared to the previous year). The £493 per unit increase is largely attributable to the increase in component replacement expenditure and as cited above, non-repeating increase in costs of management reflecting the costs of restructure / redundancy and rent refunds. Service chargeable expenditure has also increased reflecting the sharp increases observed in the cost of electricity and gas.

### Our People

<b>Pillar 3 Our People</b>	<b>Target</b>	<b>Actual 2022/23</b>	<b>Actual 2021/22</b>	<b>Actual 2020/21</b>	<b>Benchmark</b>	
					<b>National Median 2021/22</b>	<b>Local Peer Group</b>
Best Companies rating	3 stars	2 stars	2 stars	3 stars*	NA	NA
Voluntary staff turnover	10%	19.65%	15.3%	9.91%	13.8%	13.6%

\* In 2021/22 Regenda extended the survey to all parts of the Group (previously we included Regenda Homes only) as a result the annual trend prior to this date is not a direct comparison.

### Best Companies

Regenda uses the Best Companies survey as a measure of employee engagement which in turn is a key factor in companies achieving their strategic objectives.

In 2023 we achieved our highest score yet (as a Group) with 734 Best Companies Index (BCI) points. A score of 738 BCI points is required to achieve 3-star status. When broken down by Group subsidiary, a 3-star status was achieved within Regenda Homes, Redwing and Positive Footprints. Detailed survey results have been cascaded to all departments with actions plans for improvement being developed in accordance with the data.

### Voluntary Staff Turnover

Voluntary staff turnover (defined as departure of employees who leave Regenda for their own reasons) continued to be adversely affected within the year. As the economy recovered from the pandemic, the number of people eligible to work in the UK also decreased significantly due to Brexit. This resulted in the UK labour market being significantly more buoyant than it has been for many years and was recognised as a key risk within the sector by the Regulator of Social Housing.

We regularly conduct a pay and reward benchmarking exercise to ensure we remain competitive. We seek feedback from staff who choose to move on from the organisation. We have continued to develop our employee brand in 2022/23 to better attract and retain talent in the current labour market. We did not meet our target of 10% voluntary staff turnover but continue to work towards meeting improving performance and to reduce staff turnover in 2023/24.

# Regenda Limited

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

### Customer centricity and communities

					Benchmark	
Pillar 4 Customer centricity and communities	Target	Actual 2022/23	Actual 2021/22	Actual 2020/21	National Median 2021/22	Local Peer Group
Satisfaction that Regenda is easy to deal with*	NA	71%	78%	NA	NCA	NCA
Satisfied that Regenda listens to tenant views and acts upon them	70%	63%	63%	63%	74%	76%
Overall satisfaction with the service provided by Regenda	70%	70%	74%	74%	84%	89%
Overall satisfaction with the way we handled your complaint (transactional)	60%	43%	39%	54%	45%	33%
Overall satisfaction with outcome of complaint (transactional)	45%	39%	38%	49%	38%	25%
Social value generated supported people into education, training and employment	NA	£3.3m	£3.1m	£2.8m	NA	NA
OFSTED Rating TLF	Good	Good	Good	Good	NA	NA
OFSTED rating C56	Good	Good	Good	Good	NA	NA

\*Based on six months data only as part of the Tenant Satisfaction Measures pilot survey. 2021/22 data was gathered using an alternative methodology.

NCA: Not currently available

**Satisfaction that Regenda is easy to do business with.** In response to the Tenant Satisfaction Measures (TSMs) we have reviewed how we monitor and evaluate customer satisfaction and feedback. We implemented the new TSM satisfaction metrics from October 2022 to set a baseline on which we can monitor performance.

Wider national research regarding customer service suggests that 'ease of dealing' and 'trust' are important to how a customer perceives a company. We have therefore included two additional questions to complement the TSM survey and help us to best shape our services.

When asked how satisfied or dissatisfied they are with the ease to do business with us, 71% of respondents stated they are satisfied, reducing from 78% in 2021/22. It is disappointing that satisfaction has reduced however key driver analysis (KDA) of the TSM data suggests that improving the percentage of customers who 'trust' us and agree that we 'listen and act' will have the biggest impact on overall satisfaction levels. Focus in these areas is therefore part of our Customer Engagement project and Accessible and Transparent project within the GCP.

NB: Benchmark data from RSH or HouseMark was not available at the time of writing this report.

# Regenda Limited

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

**Satisfaction with complaints:** We did not achieve our target for satisfaction with how we handle complaints or with the outcome of complaints. This remains a key area for improvement for us in 2023/24. We increased our staff resource for dealing with complaints and are relaunching our complaints panel, made up of customers, to help us improve in this area.

**Supporting people into employment and training:** Our Group structure allows us to treat people as individuals who, like many of us, need to access various types of support and services at different stages of their life. Our structure allows us to make connections across the different services we offer, finding opportunities so people can ultimately stand taller and reach further too. It works as a conduit to channel the incredible energy, talent and commitment to staff working across our nine organisations.

In 2022/23 we supported 16,791 people with education, training and employment opportunities. Initiatives included:

- **Project 5.** Building on the success of this project in 2021/22, we delivered our second Project 5 in 2022/23. Project 5 is a training partnership between Petrus and TLF for people who have faced homelessness, inequality or who have not had access to opportunities to succeed and aims to break the cycle of homelessness by empowering participants to overcome barriers or negative stigmas and recognise their potential, through use of a unique model of engagement.
- **Raising aspirations programme.** Currently delivered to over 300 primary schools through Positive Footprints. The Raising Aspirations Programme aims to open up the world of work, show children the different careers available and the skills they'll need to achieve their potential, build resilience and self-belief and recognise their qualities.

As part of the Raising Aspirations Programme, children meet a wide range of employers and businesses through 'career conversations', enabling young people to understand a day in the life of various careers from athletes to authors, air traffic controllers to nurses, Police Community Support Officers to construction workers.

In 2022/23 we:

- supported 11,000 children and young people through our programmes with 96% saying they really enjoyed the programme.
- Delivered 3,600 hours of careers and financial education with the support of 450 teachers.
- Engaged 720 business who opened up the world of work to children involved in our programme.

This generated £1,317,583 in social value (the wider benefit quantified for people, places and society).

**The Learning Foundry traineeship programme** continues to support young people aged 16-24 who are not in education, employment or training (NEET) to access employment opportunities. The Sound Check programme is designed to provide access and experience of the production of live music events. It supports young people in Birkenhead, Tranmere and Rock Ferry and surrounding Wirral communities. More than 20% of learners have learning difficulties or disabilities, and more than 20% of learners are care experienced due to close partnership with referral partners including and more than partners including Birkenhead Job Centre, Forum Housing, Magenta, Bedspace, and Wirral Response.

Our traineeships and apprenticeships generated c£2m social value. (We use HACT and The National Toms frameworks for measuring social value.)

# Regenda Limited

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

### Our product excellence

					Benchmark	
Pillar 5 Our product excellence	Target	Actual 2022/23	Actual 2021/22	Actual 2020/21	National Median 2021/22	Local Peer Group
Concerns for compliance (internal control to mitigate the risk of instances of non-compliance)	0	9	6	17	NA	NA
Satisfaction with repairs and maintenance (transactional)	77%	78%	80%	81%	84%	85%
% homes meeting Decent Homes Standard (DHS)	100%	99.86%	99.57%	99.45%	100%	99.7%
% Energy Efficient Homes with an EPC of C or above	60%	60.15%	58.05%	NR*	NA	NA
Re-let time (in days)	18	16.9	20.6	32.2	35.06	27.77

\*NR: Not recorded - measure was not in place at this time.

**Concerns for compliance:** Health and safety compliance are always a priority for the Group. We have invested significantly in new systems and staff resources to ensure our approach to compliance is amongst the best in the sector.

**DHS:** 15 homes did not meet Decent Homes Standard, our performance of 99.86% is therefore below our target of 100%. Our Assets team have assessed these properties to ensure appropriate actions are taken to bring these properties back to standard.

**Satisfaction with repairs and maintenance:** Satisfaction slightly reduced within the period with 78.3% of customers who have had a repair to their home stating they are satisfied with the service received. Further analysis of the data suggests that the time taken to complete repairs is the driver of lower satisfaction. This in part is due to the type of works being carried out such as major roofing and works related to damp and mould. As an example, in previous years we've repaired faulty extractor fans, but are now fully upgrading or fitting new ventilation systems. All of which take longer.

**Energy efficiency:** Our investment programme will improve the energy efficiency of our homes and tackle fuel poverty for our customers. We met our target of 60% of homes having an EPC of C and above and are working to improve this year on year.

**Average relet times:** Performance at 16.9 days (average) exceeded target and compares well to peers. We have set an ambitious target to further reduce the time it takes to relet our homes further in 2023/24.

# Regenda Limited

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

					Benchmark	
Pillar 6	Target	Actual 2022/23	Actual 2021/22	Actual 2020/21	National Median 2021/22	Local Peer Group
New Supply delivered %-social housing	0.6%	0.02%	0.2%	1.0%	1.4%	0.7%
New Supply delivered %-non-social housing	0.0%	0.02%	0.0%	0.0%	0%	0%
Affordable/social rent (housing below market rent levels)	30	2	17	82	NA	NA
Affordable home ownership – shared ownership and Rent to Buy	49	0	0	42	NA	NA
Market rent	0	3	0	0	NA	NA
Reinvestment %	5.8%	3.0%	2.4%	3.4%	6.5%	8.0%

### 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. Performance for new supply social housing was negatively impacted due to the liquidation of two external contractors on two new build schemes. In 2022/23 we acquired five properties and refurbished 6 social units. We anticipate the practical completion of a further 34 homes in 2023/24. 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. In 2021/22 we were successful in winning a tender to develop 71 homes as part of the New Ferry Regeneration in Wirral.

**Reinvestment 3.0%:** The amount of reinvestment is lower than the original target due to delays in the year in our development programmes.

					Benchmark	
Pillar 7	Target	Actual 2022/23	Actual 2021/22	Actual 2020/21	National median 2021/22	Local peer group
Gearing%	39%	41.3%	40.0%	38.8%	44.1%	41.6%
Return on Capital Employed (ROCE)	1.7%	1.8%	2.4%	3.0%	3.2%	3.8%

# Regenda Limited

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

### Gearing

Gearing at the end of the year was 41.3%. This is a result of loans at year end of £215m, cash balances of slightly less than £12m and housing tangible assets at cost of £492m. Gearing is forecast to fall in 2023/24 due to the proceeds from the budgeted divestment. It is forecast to remain comfortably below the 60% covenant target.

### 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 reduced in the year by £3.0m to £9.5m (2022, £12.5m). As previously noted, the £3.0m reduction in operating surplus is due to a discrete range of non-repeating expenditures in the year. A provision of £1.3m has been recognised in respect of defect works at the Caton development. The costs of restructure / redundancies were recognised in the year of £0.58m in the year along with £0.42m of rent refunds identified. There was also the additional cost of impairment in the year, compared to the previous year, of nearly £1.2m. These expenditures being partially offset by a reduction in repairs and maintenance expenditure of nearly £0.47m. ROCE is forecast to improve in the coming years.

### 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 cross functional team of champions responsible for driving efficiency through procurement and contract management in their respective areas).

In the period from April 2022 to March 2023, eight contracts were awarded through procurement, of which five generated savings of £556,319 (33%) savings against anticipated spend of £1,710,069. We will continue to seek customer feedback to assess the quality of services.

This includes:

	£
M&E Surveying Contract	10,200
Stock divestment legal services	86,500
Cleaning and window cleaning	246,355
Electrical vehicles charging posts	202,720
Commercial and domestic lifts and maintenance repairs	10,544
	<hr/> 556,319

A spend analysis carried out in May 2023 identified c£500,000 of savings targeted across 16 categories, comprising of c15 procurement exercises to be realised in 2023 and 2024 (subject to their respective contract start and end dates). This will be monitored by the Procurement Centre of Excellence, and through targeted meeting 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.

# Regenda Limited

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

### Savings Through Procurement (continued)

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 Greater Manchester Housing Providers (GMHP) Procurement Group to find common ground and benefit from economies of scale, use of competitive procurement processes, and undertaking market research and benchmarking.

Through our Procurement Strategy we will make ourselves easier to do business with, ensure processes are efficient and effective, and reduce demand where possible.

We will 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.

### 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

# Regenda Limited

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

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**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 have revised our Social Value Strategy in 2023 (due for Board approval June 2023) and have 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 strength, 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

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.

# Regenda Limited

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

<b>Environmental</b>	
<b>Theme name</b>	<b>Criteria we meet/can evidence</b>
Climate change	80%
Ecology	50%
Resource management	67%
<b>Strengths</b>	
<ul style="list-style-type: none"><li>- EPC data known and plans in place to reach Band C by 2030</li><li>- Environmental Strategy in place</li><li>- Contract in place to manage all waste disposal for M&amp;Y</li></ul>	
<b>Areas for improvement</b>	
<ul style="list-style-type: none"><li>- We have established a baseline for greenhouse gas emissions (July 2023) and are using this to further develop our plans and inform a revised Environmental Strategy (Autumn 2023)</li><li>- Develop a strategy to actively manage and reduce pollutants.</li><li>- Develop strategy for water management.</li><li>- Develop a strategy for waste management.</li></ul>	

# Regenda Limited

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

<b>Social</b>	
<b>Theme name</b>	<b>Criteria We Meet/Can Evidence</b>
Affordability and security	100%
Building safety and quality	100%
Resident voice	100%
Resident support	100%
Place Making	100%
<b>Strengths</b>	
<ul style="list-style-type: none"><li>- Business plan approval to invest in improving energy efficiency of homes.</li><li>- Strong building safety track record – 100% FRA, Gas servicing, DHS</li><li>- Excellent record for resident support</li><li>- Resident Voice Panel established</li><li>- Employment, training and skills support is embedded in core purpose</li><li>- Place making embedded in our development programme</li><li>- Fuel poverty and financial inclusion support</li><li>- Implemented new tenant satisfaction metrics on a rolling basis</li></ul>	
<b>Areas for improvement</b>	
<ul style="list-style-type: none"><li>- Continuing to invest in homes to improve efficiency and reduce fuel poverty.</li></ul>	

# Regenda Limited

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

<b>Governance</b>	
<b>Theme name</b>	<b>Criteria We Meet/Can Evidence</b>
Structure and governance	100%
Board and trustees	100%
Staff wellbeing	100%
Supply chain management	100%
<b>Strengths</b>	
<ul style="list-style-type: none"><li>- Strong governance structure in place</li><li>- Compliant rating (compliant) by Regulator of Social Housing</li><li>- Strong risk management (recently revised/strengthened)</li><li>- Effective succession planning</li><li>- Pay Real Living Wage</li><li>- Publish gender pay gap</li><li>- Group wide Equality, Diversity and Inclusion (EDI) Strategy in place</li><li>- Social value and environmental impact are embedded within procurement process</li></ul>	
<b>Areas for improvement</b>	
<ul style="list-style-type: none"><li>- Pay reporting</li><li>- Diversity reporting</li><li>- Delivering the plan in place to return to G1</li></ul>	

We will continue to embed ESG within procurement activities moving forward in 2023/24 ensuring it is an integral part of our evaluation processes aligned to our core purpose.

# Regenda Limited

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

### 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		
	2020/ 21	2021/ 22	2022/2 3	Target 2022/2 3	Bench mark 2021/22 *	2023/ 24	2024/ 25	2025/ 26
<b>1</b>	3.36%	2.4%	3.03%	5.8%	6.5%	6.3%	6.0%	2.9%
<b>2 (a)</b>	0.97%	0.2%	0.02%	0.6%	1.4%	0.3%	0.8%	0.9%
<b>2 (b)</b>	0.0%	0.0%	0.02%	0.0%	0.0%	0%	0%	0%
<b>3</b>	38.8%	40.0%	41.3%	39%	44.1%	38.0%	39.0%	39.0%
<b>4</b>	156%	99%	42.1%	71%	146.0%	60.0%	147.0%	159.0%
<b>5</b>	£3,505	£3,958	£4,451	£4,595	£4,150	£4,995	£4,505	£4,526
<b>6 (a)</b>	28.92%	22.8%	19.7%	19.8%	23.3%	18.8%	23.9%	26.0%
<b>6 (b)</b>	19.99%	15.2%	9.3%	10.9%	20.5%	9.6%	16.0%	18.1%
<b>7</b>	2.99%	2.4%	1.8%	1.7%	3.2%	3.8%	2.9%	3.4%
• Benchmark is National Median 2021/22								

# Regenda Limited

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

Our commitment to regenerating places is evident in the amount and type of investment we are making in our homes.

Reinvestment spend is driven by stock condition, which is evidenced by an independent survey of c90% of our properties. It includes development activities and significant works, including £36m in improvements to increase energy efficiency ratings of our homes to EPC Band C by the 2030 (fuel poor) and 2035 deadlines.

The latest Financial Plan includes an updated Development Programme. The current plan now includes 245 units to be developed in Regenda over the next 3 years. Following this planning horizon the current plan includes the delivery of 354 units in uncommitted schemes by 2031. 73 of these units, comprising 50 market rented units and 23 units for outright sale, will be developed by Redwing. The plan includes the delivery of 89 social rented units in the Grove development to be handed over 2025/26. Following 2024 when our gearing will decline slightly because of the cash proceeds from divestment, our gearing is projected to increase year on year, reflecting the financing required to deliver our development programme. Gearing will remain within the financial covenant set by our funders, which is 60%.

EBITDA MRI, operating margin SHL, operating margin overall and ROCE are all forecast to reduce in the year 2023/24 due to budgetary commitments. All increase in the years following. Headline social housing costs per unit reflects investment within our stock and service delivery over the coming years.

The negative impact on operating margin (SHL) in recent years due to the investment in remedial fire safety works is anticipated to improve from 2024/25. Operating margin has been impacted in the year due to delays in the development programme.

Operating margin shows improvement from year 2024/25.

Return on Capital Employed is projected to be in the range of 3.8% to 3.4% between years 2023/24 to 2025/26.

### Saving Opportunities 2022-2025

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.

# Regenda Limited

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

**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.

**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 pilot, and relevant notice periods.

Savings Category	Savings target by year (Regenda Homes only)			Total	Impact to customer
	2022/23	2023/24	2024 onwards		
	£	£	£		
<b>Budgetary</b>	1.58m	1.99m	1.97m	<b>5.54m</b>	<b>Medium</b> – Less staff resource could delay response times and limit discretionary activities
<b>Deferral or transfer</b>	1.22m	-	-	<b>1.22m</b>	<b>Low</b> – 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
<b>Operating model and procurement</b>	0.21m	1.16m	0.96m	<b>2.33m</b>	<b>High</b> – 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)
<b>Strategic</b>	-	0.34m	0.24m	<b>0.58m</b>	<b>Low</b> – Limited customer impact subject to decisions around premises
<b>Total</b>	<b>3.02m</b>	<b>3.48m</b>	<b>3.18m</b>	<b>9.67m</b>	
<b>Growth</b>		66k	66k	132k	

# Regenda Limited

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

### 2022/23 Savings Achieved Against Target:

**Budgetary:** In 2022/23 we achieved budgetary savings of c.£1.8m against our target of £1.5m. This is made up of savings within our neighbourhood activities budget (c£62,000), other property costs such as tenancy enforcement costs (c£180,000), staffing costs (c.£869,000 - following a restructure of our operating model) and administration costs (c.£714,000).

**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 and procurement:

As noted above, savings of £556,319 (33% against anticipated spend) were achieved through procurement in 2022/23.

### Strategic:

Savings under this category are not anticipated until financial year 2023/24 onwards.

### Next steps

As approved by Board, we will continue to:

- seek to realise 'budgetary' savings within the financial year 2023/24.
- continue to review and monitor the impact and savings achieved through our revised operating model and procurement opportunities, savings from which are likely to be realised from 2023/24.
- carry out a premises review with the aim to consolidate costs, realising savings from 2023/24 onwards.

Customers will be engaged throughout the process. We will liaise Resident Voice Panel and wider customer base through our Customer Centric and Resident Engagement strategies.

Board will be engaged in the decision-making process and review of progress.

# Regenda Limited

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

### Risks and uncertainties

The Group's key strategic risks are considered below.

Key risk area Strategic Risk reference	Comment
Financial SR01.2 SR05	<ul style="list-style-type: none"><li>The impact of Welfare reform continues 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.</li><li>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.</li></ul>
	<ul style="list-style-type: none"><li>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.</li></ul>
	<ul style="list-style-type: none"><li>The arrangements put in place by the Group's Business Continuity Plan to respond to the pandemic ceased in March 2022 in line with Government Guidelines. Since that time, the Group has introduced hybrid working arrangements in order to mitigate the impact of continued infections. Staff numbers have been impacted throughout the year, but this has been kept under review to ensure services are not impacted.</li></ul>
Property Management SR10	<ul style="list-style-type: none"><li>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.</li></ul>
Governance SR01.1 SR01.3	<ul style="list-style-type: none"><li>There is a continuous review of the Group's governance arrangements in order to respond to the Group's diversification to ensure compliance with regulatory and statutory requirements. This has been particularly relevant this year as the Group has adopted the National Housing Federations updated Code of Governance 2020.</li><li>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.</li><li>A key focus this year has continued to be on succession planning which has led to the identification and induction of several new Non-Executive Directors who will join the Group when existing Non-Executive Directors reach their maximum term of office.</li><li>Responding to the requirements of the new consumer standards.</li></ul>

# Regenda Limited

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

### Risks and uncertainties (continued)

Key risk area Strategic Risk reference	Comment
Environment SR02	<ul style="list-style-type: none"><li>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.</li></ul>
Technology SR09.1 SR09.2	<ul style="list-style-type: none"><li>The Group takes seriously the growing threat posed to global digital security and the need for robust cyber security and data management.</li><li>The Group is accredited with Cyber Essentials Plus and will continue to operate all the internal controls required to maintain this accreditation.</li></ul>
Economic SR08 SR10	<ul style="list-style-type: none"><li>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.</li><li>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.</li><li>Attraction and retention of experienced and skilled staff has continued to be a focus for the Group with the emphasis being on ensuring the wellbeing and support of staff.</li></ul>

### Financial position

The Group's statement of comprehensive income and statement of financial position are shown on pages 24-26. The following paragraphs highlight key features of the Group's financial position at 31 March 2023.

### Accounting policies

The Group's principal accounting policies are set out on pages 44-54 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

Housing properties As 31 March 2023, the Group owned and managed 13,179 housing properties and office and retail units (2022- 12,979). The properties were carried in the Statement of Financial Position at cost after depreciation of £524m (2022 - £521m). 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.

# Regenda Limited

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

### 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 86.7% (2022 – 85.7%) of the Group's borrowings were at fixed rates. The fixed rates of interest range from 2.4% 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£21 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 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 14 September 2023 and signed on its behalf by:



**P Roberts**  
Chair

# Regenda Limited

## Report of the Board for the year ended 31 March 2023

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 2023.

### 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.
- **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 (previously Alder Training Ltd)** - 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 £9.3m (£11.8m 2022). Operating surplus has been adversely affected by one off expenditures related to redundancy and restructuring, rent refunds and a specific provision for remedial repair works at Caton. In addition, there was a £0.3m reduction in the carrying value of our investment properties. Without the non-repeating expenditures referred to previously operating margin overall for the year would have been 13.9%.

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 31 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.

# Regenda Limited

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

### **Housing property assets**

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

### **Reserves**

After negative total comprehensive losses of £1.5 million in the year (2022 – profits of £5.3 million) the Group reserves amounted to £90.2 million (2022 - £91.7 million).

### **Donations**

The Group made charitable donations of £547 to the Fabric District in the year (2022 - £Nil) and made no political donations (2022 - £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. During the year we achieved two-star 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 2022, these figures are:

- Mean gender pay gap = 13.50%
- Median gender pay gap = 3.80%
- 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 = 33.70% male and 66.30% female
- Lower middle quartile = 27.30% male and 72.70% female
- Upper middle quartile = 29.20% male and 70.80% female
- Upper quartile = 40.90% male and 59.10% female

# Regenda Limited

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

### **Gender Pay Gap (continued)**

For comparison, the workforce is 66% female, 34% male overall.

The median gender pay gap across Regenda Limited on 5 April 2022 was 3.80%, which represents a significant improvement on last year's 9.0% gap and compares favourably to national average gender pay gap of 14.90% in 2021/22.

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 the initiatives we have delivered resulting in an increase from 52.90% to 59.10% in this group, we acknowledge that more action is still required to address the gap.

We have launched a new Equality, Diversity, and Inclusion (EDI) strategy, which sets out a purposeful and coordinated approach to improving equality, diversity and inclusion for our customers and workforce.

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 is reviewing and developing an improved suite of equality and diversity metrics, including recruitment and promotion related indicators, enabling better identification of any barriers to recruit a more diverse workforce.

This year we will also be investing in an organisation-wide EDI training programme which will aim to raise awareness of equality issues, challenge unconscious bias and create an environment where staff and customers are able to thrive regardless of their background or status.

To support our EDI strategy, we have created an Equality, Diversity and Inclusion working group, which is driving this agenda forwards, with nominated champions at senior executive and Board level.

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 objectives, fair, transparent and gender neutral we conduct a pay benchmarking exercise every two years for every role in our organisation.

We raise aspirations, open up the world of work and challenge stereotypes in schools via Positive Footprints. 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.



# Regenda 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 Association is ongoing and has been in place throughout the period commencing 1 April 2022 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 we are meeting the requirements set out in our adopted Code of Governance (National Housing Federation 2020) 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;

# Regenda 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 speak up and anti-fraud policies;
- 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;
- an annual programme of internal audit reviews that are set and delivered under a risk-based methodology;
- audit recommendations are tracked by the Risk & Audit Committee to ensure they are implemented within the agreed timescales; and
- a series of property compliance audits have been 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.

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.

### 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 2023 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.

# Regenda Limited

## Report of the Board for the year ended 31 March 2023 (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 multi-variate 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 and one-off economic hits. The Board were presented with a fully costed Recovery Plan with mitigations to accommodate any necessary responses to the impact of the tests undertaken. The divestment of a certain number of units has been included in the budget; however, if the strategy of divestment is delayed or abandoned the impact on the Business plan is known and accommodated for. 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 2023, the Group had in place loan facilities of £266.8m, which included £65m of bank funded revolving credit facilities of which £55m was undrawn. As at 30th June 2023, available facilities were £266.6m, the Group had drawn down debt of £211.6m, and £55.0m remained 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 21<sup>st</sup> September 2023 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 14<sup>th</sup> September 2023 and signed on its behalf by:



**P Roberts**

Chair

## Regenda Limited

### Statement of responsibilities of the Board for the report and financial statements for the year ended 31 March 2023

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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.

# Regenda Limited

## Independent auditor's report to the members of Regenda Limited for the year ended 31 March 2023

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### 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 2023 and of the Group's and 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 (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 2023 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.

# Regenda Limited

## Independent auditor's report to the members of Regenda Limited for the year ended 31 March 2023 (continued)

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### **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.

# Regenda Limited

## Independent auditor's report to the members of Regenda Limited for the year ended 31 March 2023 (continued)

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### **Auditor's responsibilities for the audit of the 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 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 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.

# Regenda Limited

## Independent auditor's report to the members of Regenda Limited for the year ended 31 March 2023 (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](http://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: 27 September 2023

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

# Regenda Limited

## Consolidated and Association statement of comprehensive income for the year ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Turnover</b>	4	<b>76,616</b>	72,439	<b>60,836</b>	59,537
Cost of sales	4	(7)	(956)	(7)	(994)
Operating costs	4	(69,500)	(60,488)	(49,866)	(46,935)
Gains on revalued investment properties	15	(283)	(704)	(188)	(607)
Surplus on sale of housing properties	4,10	<b>2,436</b>	1,500	<b>1,832</b>	848
<b>Operating surplus</b>	4,7	<b>9,262</b>	11,791	<b>12,607</b>	11,849
Interest receivable and other income	11	<b>81</b>	7	<b>16</b>	1
Interest payable and similar charges	12	<b>(9,661)</b>	(9,878)	<b>(9,948)</b>	(9,878)
SHPS Pension net interest	31	<b>(175)</b>	(253)	<b>(175)</b>	(253)
Gift aid receivable	38	-	-	<b>208</b>	999
Gain on gift of subsidiary company		-	-	-	-
<b>(Deficit)/surplus on ordinary activities before taxation</b>		<b>(493)</b>	1,667	<b>2,708</b>	2,718
Taxation on surplus on ordinary activities	13	<b>714</b>	(318)	-	-
<b>Surplus for the year</b>		<b>221</b>	1,349	<b>2,708</b>	2,718
<b>Other comprehensive income</b>					
Actuarial (loss)/gain in respect of pension schemes	31	<b>(1,718)</b>	3,930	<b>(1,718)</b>	3,930
<b>Total comprehensive (expense)/income for the year</b>		<b>(1,497)</b>	5,279	<b>990</b>	6,648

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

The financial statements were approved by the Board on 14 September 2023 and signed on its behalf by:

*P A Roberts*

*Michael R Birkett*

*J Vincent*

**P Roberts**  
Chair

**M Birkett**  
Board member

**J Vincent**  
Secretary

The notes on page 44 to 99 form part of these financial statements.

# Regenda Limited

## Consolidated and Association statements of financial position at 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Tangible fixed assets</b>					
Social and non-social properties	14	<b>492,135</b>	490,645	<b>476,743</b>	473,792
Investment properties	15	<b>31,423</b>	29,966	<b>24,010</b>	22,573
		<b>523,558</b>	520,611	<b>500,753</b>	496,365
Other tangible fixed assets	16	<b>10,135</b>	10,231	<b>6,297</b>	6,283
Goodwill	18	<b>4,894</b>	-	<b>-</b>	-
Other intangible fixed assets	17	<b>68</b>	72	<b>-</b>	-
Investments in subsidiaries	19	<b>-</b>	-	<b>8,476</b>	1,562
Investment in joint ventures	19	<b>-</b>	-	<b>-</b>	-
Fixed asset investment	21	<b>407</b>	-	<b>-</b>	-
		<b>539,062</b>	530,914	<b>515,526</b>	504,210
<b>Current assets</b>					
Properties held for sale	22	<b>1,656</b>	2,201	<b>1,656</b>	2,201
Trade and other debtors	24	<b>11,460</b>	7,443	<b>4,654</b>	4,137
Stocks	23	<b>244</b>	103	<b>-</b>	-
Cash at bank and in hand		<b>11,936</b>	13,499	<b>4,530</b>	2,518
		<b>25,296</b>	23,246	<b>10,840</b>	8,856
<b>Creditors: amounts falling due within one year</b>	25	<b>(31,182)</b>	(22,722)	<b>(46,088)</b>	(37,069)
<b>Net current assets/(liabilities)</b>		<b>(5,886)</b>	524	<b>(35,248)</b>	(28,213)
<b>Total assets less current liabilities</b>		<b>533,176</b>	531,438	<b>480,278</b>	475,997
<b>Creditors: amounts falling due after more than one year</b>	26	<b>434,373</b>	431,928	<b>403,121</b>	400,034
<b>Provisions for liabilities</b>	27	<b>1,309</b>	723	<b>-</b>	-
<b>Net pension liability</b>	31	<b>7,332</b>	7,128	<b>7,332</b>	7,128
		<b>443,014</b>	439,779	<b>410,453</b>	407,162

# Regenda Limited

## Consolidated and Association statements of financial position at 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Capital and reserves</b>					
Non-equity share capital	32	-	-	-	-
Restricted reserve	33	<b>1,377</b>	1,371	<b>1,361</b>	1,361
Expendable endowments	33	<b>111</b>	110	-	-
Revenue reserve	33	<b>88,674</b>	90,178	<b>68,464</b>	67,474
		_____	_____	_____	_____
<b>Group's/Association's funds</b>		<b>90,162</b>	91,659	<b>69,825</b>	68,835
		_____	_____	_____	_____
<b>Total liabilities and funds</b>		<b>533,176</b>	531,438	<b>480,278</b>	475,997
		_____	_____	_____	_____

The financial statements were approved by the Board on 14 September 2023 and signed on its behalf by:

*P A Roberts*

**P Roberts**  
Chair

*Michael R Birkett*

**M Birkett**  
Board member

*J Vincent*

**J Vincent**  
Secretary

The notes on page 44 to 99 form part of these financial statements.

# Regenda Limited

## Consolidated and Association statements of changes in reserves for the year ended 31 March 2023

<b>Group</b>		<b>Endowment reserve £'000</b>	<b>Restricted reserves £'000</b>	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
	<b>Note</b>				
At 1 April 2021		110	1,396	84,874	86,380
Surplus for the year		-	(25)	1,374	1,349
Actuarial gain relating to pension scheme	31	-	-	3,930	3,930
		_____	_____	_____	_____
At 1 April 2022		110	1,371	90,178	91,659
Surplus for the year		1	6	214	221
Actuarial gain relating to pension scheme	31	-	-	(1,718)	(1,718)
		_____	_____	_____	_____
<b>At 31 March 2023</b>		<b>111</b>	<b>1,377</b>	<b>88,674</b>	<b>90,162</b>
		_____	_____	_____	_____

<b>Association</b>		<b>Endowment reserve £'000</b>	<b>Restricted reserves £'000</b>	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
	<b>Note</b>				
At 1 April 2021		-	1,361	60,826	62,187
Surplus for the year			-	2,718	2,718
Actuarial loss relating to pension scheme	31	-	-	3,930	3,930
		_____	_____	_____	_____
At 1 April 2022		-	1,361	67,474	68,835
Surplus for the year		-	-	2,708	2,708
Actuarial loss relating to pension scheme	31	-	-	(1,718)	(1,718)
		_____	_____	_____	_____
<b>At 31 March 2023</b>		<b>-</b>	<b>1,361</b>	<b>68,464</b>	<b>69,825</b>
		_____	_____	_____	_____

The notes on page 44 to 99 form part of these financial statements.

# Regenda Limited

## Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000	
<b>Net cash generated from operating activities</b>	37	<b>15,158</b>	15,656	
<b>Cash flow used in investing activities</b>				
Purchase of tangible fixed assets		(2,890)	(4,374)	
Acquisition and construction of properties		(16,467)	(13,208)	
Proceeds from sale of tangible fixed assets - housing		6,141	4,377	
Proceeds from sale of tangible fixed assets - other		315	1,142	
Grants received		2,780	776	
Interest received		81	7	
Net cash outflow on acquisition of subsidiary		(1,986)	-	
Purchase of fixed asset investments		(397)	-	
<b>Net cash outflow used in investing activities</b>		<b>(12,423)</b>	(11,280)	
<b>Cash flow used in financing activities</b>				
Interest paid		(9,713)	(10,093)	
New secured loans		10,000	-	
Premium on new loans		-	(265)	
Debt issue costs incurred		-	533	
Repayment of borrowings		(4,585)	(6,666)	
<b>Net cash used in from financing activities</b>		<b>(4,298)</b>	(16,491)	
<b>Net change in cash and cash equivalents</b>		<b>(1,563)</b>	(12,115)	
<b>Cash and cash equivalents at beginning of year</b>		<b>13,499</b>	25,614	
<b>Cash and cash equivalents at end of the year</b>		<b>11,936</b>	13,499	
<b>Net debt reconciliation</b>				
	2022 £'000	Cash flows £'000	Acquisition of subsidiary £'000	2023 £'000
Cash at bank and in hand	13,499	423	(1,986)	<b>11,936</b>
Bank loans (including issue costs)	(209,740)	(5,397)	(90)	<b>(215,227)</b>
Net debt	(196,241)	(4,974)	(2,076)	<b>(203,291)</b>

The notes on page 44 to 99 form part of these financial statements.

# Regenda Limited

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

### **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 nearest 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 2023.

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.

# Regenda Limited

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

### 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 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 multi-variate 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 and one-off economic hits. The Board were presented with a fully costed Recovery Plan with mitigations to accommodate any necessary responses to the impact of the tests undertaken. The divestment of a certain number of units has been included in the budget; however, if the strategy of divestment is delayed or abandoned the impact on the Business plan is known and accommodated for. 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 2023, the Group had in place loan facilities of £266.8m, which included £65m of bank funded revolving credit facilities of which £55m was undrawn. As at 30th June 2023, available facilities were £266.6m, the Group had drawn down debt of £211.6m, and £55.0m remained 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.

# Regenda Limited

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

### 2 Accounting policies (continued)

#### 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.

#### 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.

# Regenda Limited

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

### 2 Accounting policies (continued)

#### Deferred taxation (continued)

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.

#### 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.

# Regenda Limited

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

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### 2 Accounting policies (continued)

#### **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 2023 is amortised on a straight-line basis over its useful economic life which was considered to be 5 years. This balance was disposed of once fully amortised.

#### **Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **Investment in joint venture**

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

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

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Income Statement includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

# Regenda Limited

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

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### 2 Accounting policies (continued)

#### **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.

# Regenda 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 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%

# Regenda Limited

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

### 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
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#### 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.

# Regenda Limited

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

### 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.

# Regenda Limited

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

### 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.

# Regenda Limited

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

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### 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.

# Regenda Limited

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

### 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***

A £1.3m provision has been 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.

# Regenda Limited

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

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

Group	2023					
	Turnover	Cost of sales	Operating costs	Gain on disposal of Housing properties	Loss on revalued Investments	Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and expenditure from social housing activities</b>						
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
	<b>61,130</b>	-	<b>(49,108)</b>	-	-	<b>12,022</b>
<b>Other social housing activities</b>						
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
	<b>5,295</b>	<b>(7)</b>	<b>(5,947)</b>	<b>2,436</b>	-	<b>1,777</b>
<b>Non-social housing activities</b>						
Lettings	2,238	-	(4,739)	-	-	(2,501)
Other	7,953	-	(9,706)	-	(283)	(2,036)
	<b>10,191</b>	-	<b>(14,445)</b>	-	<b>(283)</b>	<b>(4,537)</b>
	<b>76,616</b>	<b>(7)</b>	<b>(69,500)</b>	<b>2,436</b>	<b>(283)</b>	<b>9,262</b>

# Regenda Limited

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

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

Group	Turnover £'000	Cost of sales £'000	Operating costs £'000	2022		Operating surplus (deficit) £'000
				Gain on disposal of Housing properties £'000	Loss on revalued Invest- ments £'000	
<b>Income and expenditure from social housing activities</b>						
Housing accommodation	46,180	-	(37,375)	-	-	8,805
Supported housing	10,398	-	(6,860)	-	-	3,538
Low cost home ownership	3,140	-	(1,865)	-	-	1,275
	_____	_____	_____	_____	_____	_____
	59,718	-	(46,100)	-	-	13,618
	_____	_____	_____	_____	_____	_____
<b>Other social housing activities</b>						
Supporting people contract income	439	-	(439)	-	-	-
Development costs not capitalised	-	-	(82)	-	-	(82)
Management services	286	-	(104)	-	-	182
Community regeneration	80	-	(84)	-	-	(4)
Other social housing activities	-	-	(254)	-	-	(254)
First Tranche property sales	937	(956)	-	-	-	(19)
Gain on disposal of housing properties	-	-	-	1,500	-	1,500
Petrus	3,163	-	(3,486)	-	-	(323)
	_____	_____	_____	_____	_____	_____
	4,905	(956)	(4,449)	1,500	-	1,000
	_____	_____	_____	_____	_____	_____
<b>Non-social housing activities</b>						
Lettings	1,999	-	(3,220)	-	-	(1,221)
Other	5,817	-	(6,719)	-	(704)	(1,606)
	_____	_____	_____	_____	_____	_____
	7,816	-	(9,939)	-	(704)	(2,827)
	_____	_____	_____	_____	_____	_____
	72,439	(956)	(60,488)	1,500	(704)	11,791
	_____	_____	_____	_____	_____	_____

# Regenda Limited

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

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

Association	Turnover £'000	Cost of sales £'000	Operating costs £'000	2023		Operating surplus/ (deficit) £'000
				Gain on disposal of Housing properties £'000	Loss on revalued invest -ment properties £'000	
<b>Income and expenditure from social housing activities</b>						
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
<b>Other social housing activities</b>						
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
<b>Non-social housing activities</b>						
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

# Regenda Limited

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

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

Association	Turnover £'000	Cost of sales £'000	Operating costs £'000	Gain on disposal of Housing properties £'000	Loss on revalued invest -ment properties £'000	2022	Operating surplus/ (deficit) £'000
<b>Income and expenditure from social housing activities</b>							
Housing accommodation	45,427	-	(37,106)	-	-	-	8,321
Supported housing	10,078	-	(6,631)	-	-	-	3,447
Low-cost home ownership	1,035	-	(766)	-	-	-	269
	56,540	-	(44,503)	-	-	-	12,037
<b>Other social housing activities</b>							
Supporting people contract income	439	-	(439)	-	-	-	-
Development costs not capitalised	-	-	(82)	-	-	-	(82)
Management services	128	-	(96)	-	-	-	32
Community regeneration	80	-	(84)	-	-	-	(4)
Other social housing activities	-	-	(254)	-	-	-	(254)
First Tranche property sales	937	(994)	-	-	-	-	(57)
Gain on disposal of housing properties	-	-	-	848	-	-	848
	1,584	(994)	(955)	848	-	-	483
<b>Non-social housing activities</b>							
Lettings	1,413	-	(614)	-	-	-	799
Other	-	-	(863)	-	(607)	(1,470)	
	1,413	-	(1,477)	-	(607)	(671)	
	59,537	(994)	(46,935)	848	(607)	(11,849)	

# Regenda Limited

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

### 5 Particulars of income and expenditure from social housing lettings

Group	2023			
	General needs £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
<b>Turnover from social housing activities</b>				
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	-	-	-	-
<b>Turnover from social housing lettings</b>	<b>47,430</b>	<b>10,414</b>	<b>3,286</b>	<b>61,130</b>
<b>Expenditure on social housing activities</b>				
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)
<b>Operating costs on social housing lettings</b>	<b>(38,845)</b>	<b>(7,582)</b>	<b>(2,681)</b>	<b>(49,108)</b>
<b>Operating surplus on social housing letting activities</b>	<b>8,585</b>	<b>2,832</b>	<b>605</b>	<b>12,022</b>
<b>Void losses</b>	<b>(166)</b>	<b>(233)</b>	<b>-</b>	<b>(399)</b>

# Regenda Limited

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

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

Group	2022			
	General needs £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
<b>Turnover from social housing activities</b>				
Rent receivables net of identifiable service charges	42,455	7,127	1,981	51,563
Charges for support services	16	97	-	113
Service income	1,417	2,669	850	4,936
Other income	20	-	309	329
Amortised government grants	-	-	-	-
Other revenue grants	2,272	505	-	2,777
<b>Turnover from social housing lettings</b>	<hr/>	<hr/>	<hr/>	<hr/>
	46,180	10,398	3,140	59,718
<b>Expenditure on social housing activities</b>				
Management	(9,468)	(482)	(324)	(10,274)
Services	(1,566)	(2,662)	(1,034)	(5,262)
Routine maintenance	(8,095)	(1,168)	(33)	(9,296)
Planned maintenance	(8,236)	(998)	(273)	(9,507)
Major repairs expenditure	(357)	(306)	-	(663)
Bad debts	(309)	(29)	-	(338)
Depreciation of housing properties	(7,055)	(1,034)	(328)	(8,417)
Impairment of housing properties	(1,170)	-	-	(1,170)
Component write offs	(347)	(8)	-	(355)
Other costs	(772)	(173)	127	(818)
<b>Operating costs on social housing lettings</b>	<hr/>	<hr/>	<hr/>	<hr/>
	(37,375)	(6,860)	(1,865)	(46,100)
<b>Operating surplus on social housing letting activities</b>	<hr/>	<hr/>	<hr/>	<hr/>
	8,805	3,538	1,275	13,618
<b>Void losses</b>	<hr/>	<hr/>	<hr/>	<hr/>
	(280)	(251)	(14)	(545)
	<hr/>	<hr/>	<hr/>	<hr/>

# Regenda Limited

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

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

Association	2023			
	General needs £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
<b>Turnover from social housing activities</b>				
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
<b>Turnover from social housing lettings</b>	<b>46,673</b>	<b>10,139</b>	<b>1,125</b>	<b>57,937</b>
<b>Expenditure on social housing activities</b>				
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)
<b>Operating costs on social housing lettings</b>	<b>(39,204)</b>	<b>(7,331)</b>	<b>(924)</b>	<b>(47,459)</b>
<b>Operating surplus on social housing letting activities</b>	<b>7,469</b>	<b>2,808</b>	<b>201</b>	<b>10,478</b>
<b>Void losses</b>	<b>(166)</b>	<b>(233)</b>	<b>-</b>	<b>(399)</b>

# Regenda Limited

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

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

Association	2022			
	General needs £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000
<b>Turnover from social housing activities</b>				
Rent receivables net of identifiable service charges	42,149	6,952	659	49,760
Charges for support services	16	97	-	113
Service income	1,383	2,572	371	4,326
Other income	20	-	5	25
Other revenue grants	1,859	457	-	2,316
Amortised government grants	-	-	-	-
<b>Turnover from social housing lettings</b>	<b>45,427</b>	<b>10,078</b>	<b>1,035</b>	<b>56,540</b>
<b>Expenditure on social housing activities</b>				
Management	(9,730)	(472)	(2)	(10,204)
Services	(1,527)	(2,612)	(458)	(4,597)
Routine maintenance	(8,089)	(1,124)	(4)	(9,217)
Planned maintenance	(8,058)	(929)	(57)	(9,044)
Major repairs expenditure	(359)	(307)	-	(666)
Bad debts	(308)	(29)	-	(337)
Depreciation of housing properties	(6,749)	(978)	(126)	(7,853)
Impairment of housing properties	(1,170)	-	-	(1,170)
Component write offs	(347)	(8)	-	(355)
Other costs	(769)	(172)	(119)	(1,060)
<b>Operating costs on social housing lettings</b>	<b>(37,106)</b>	<b>(6,631)</b>	<b>(766)</b>	<b>(44,503)</b>
<b>Operating surplus on social housing letting activities</b>	<b>8,321</b>	<b>3,447</b>	<b>269</b>	<b>12,037</b>
<b>Void losses</b>	<b>(279)</b>	<b>(209)</b>	<b>-</b>	<b>(488)</b>

# Regenda Limited

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

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

# Regenda Limited

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

### 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 2021 Units	New stock Bought/developed Units	Sold/Demolished Units	Transactions with other RPs Units	Other movements Units	31 March 2022 Units
<b>Social housing</b>						
General housing - social	8,726	-	(18)	(2)	32	8,738
General housing - affordable	536	4	(3)	-	-	537
Supported housing and housing for older people	1,848	16	(18)	-	(6)	1,840
Low-cost home ownership	1,121	-	(34)	-	(1)	1,086
	_____	_____	_____	_____	_____	_____
Total social housing owned and managed	12,231	20	(73)	(2)	25	12,201
Social leasehold units owned	546	-	(5)	-	(1)	540
<b>Total social housing</b>	<b>12,777</b>	<b>20</b>	<b>(78)</b>	<b>(2)</b>	<b>24</b>	<b>12,741</b>
<b>Non-social housing</b>						
Market rented	204	19	(9)	-	(29)	185
Office and retail units owned by the association	38	1	-	-	-	39
Leasehold units owned	-	11	-	-	3	14
	_____	_____	_____	_____	_____	_____
<b>Total Non-social housing</b>	<b>242</b>	<b>31</b>	<b>(9)</b>	<b>-</b>	<b>(26)</b>	<b>238</b>
	_____	_____	_____	_____	_____	_____
<b>Total owned and managed</b>	<b>13,019</b>	<b>51</b>	<b>(87)</b>	<b>(2)</b>	<b>(2)</b>	<b>12,979</b>
	_____	_____	_____	_____	_____	_____
Accommodation in development at the year end	99					126

# Regenda Limited

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

### 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 2021 Units	New stock Bought/ developed Units	Sold/ Demoli- shed Units	Transact- ions with other RPs Units	Other move- ments Units	31 March 2022 Units
<b>Social housing</b>						
General housing - social	8,612	1	(47)	-	(45)	<b>8521</b>
General housing - affordable	534	-	(2)	-	45	<b>577</b>
Supported housing and housing for older people	1,773	1	(6)	-	21	<b>1,789</b>
Low-cost home ownership	438	-	(10)	-	2	<b>430</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total social housing owned and managed	11,357	<b>2</b>	<b>(65)</b>	-	<b>23</b>	<b>11,317</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Social leasehold units owned	301	-	-	-	7	<b>308</b>
Non-social leasehold	3	-	-	-	2	<b>5</b>
<b>Non-social housing</b>						
Market rented	105	-	-	-	24	<b>129</b>
Office and retail units owned by the association	2	-	-	-	-	<b>2</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total owned and managed</b>	<b>11,768</b>	<b>2</b>	<b>(65)</b>	-	<b>56</b>	<b>11,761</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accommodation in development at the year end	126					<b>110</b>

# Regenda Limited

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

### 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 2021 Units	New stock Bought/ developed Units	Sold/ Demoli- shed Units	Transact- ions with other RPs Units	Other move- ments Units	31 March 2022 Units
<b>Social housing</b>						
General housing - social	8,628	-	(18)	-	2	<b>8,612</b>
General housing - affordable	533	4	(3)	-	-	<b>534</b>
Supported housing and housing for older people	1,776	16	(15)	-	(4)	<b>1,773</b>
Low-cost home ownership	444	-	(6)	-	-	<b>438</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total social housing owned and managed	<b>11,381</b>	<b>20</b>	<b>(42)</b>	-	<b>(2)</b>	<b>11,357</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Social leasehold units owned	302	-	(1)	-	-	<b>301</b>
Non-social leasehold	-	-	-	-	3	<b>3</b>
<b>Non-social housing</b>						
Market rented	105	-	-	-	-	<b>105</b>
Office and retail units owned by the association	2	-	-	-	-	<b>2</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total owned and managed</b>	<b>11,790</b>	<b>20</b>	<b>(43)</b>	-	<b>1</b>	<b>11,768</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accommodation in development at the year end		99				<b>126</b>

# Regenda Limited

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

### 7 Operating surplus

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
This is arrived at after charging/(crediting):				
Depreciation of housing properties	<b>8,426</b>	8,417	<b>7,865</b>	7,853
Depreciation of other tangible fixed assets	<b>1,002</b>	908	<b>650</b>	557
Amortisation of intangible fixed assets	<b>43</b>	36	-	-
Gain on fixed asset investments	<b>(10)</b>	-	-	-
Operating lease rentals:				
- land and buildings	<b>4</b>	54	<b>4</b>	54
- office equipment, cars and computers	<b>12</b>	56	<b>12</b>	56
Auditors remuneration (excluding VAT):				
- for the audit of the financial statements	<b>116</b>	91	<b>42</b>	33
- for the audit of service charge accounts	<b>24</b>	24	<b>24</b>	24
- other services in respect of taxation	<b>13</b>	-	<b>13</b>	
- other	<b>31</b>	32	<b>29</b>	30
	<b>17</b>	15	<b>17</b>	15
	—————	—————	—————	—————

### 8 Employees

Average monthly number of employees expressed in full time equivalents:

	Group 2023 Number	Group 2022 Number	Association 2023 Number	Association 2022 Number
Administration	<b>118</b>	131	<b>73</b>	80
Development	<b>8</b>	9	<b>8</b>	9
Housing, support and care	<b>249</b>	238	<b>173</b>	180
Education/nursery care	<b>40</b>	34	-	-
Maintenance	<b>255</b>	251	<b>39</b>	36
Community Regeneration	<b>2</b>	2	<b>2</b>	2
	—————	—————	—————	—————
	<b>672</b>	665	<b>295</b>	307
	—————	—————	—————	—————

# Regenda Limited

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

### 8 Employees (continued)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Employee costs:</b>				
Wages and salaries	<b>22,851</b>	20,247	<b>11,610</b>	10,137
Social security costs	<b>2,196</b>	1,890	<b>1,131</b>	963
Pension costs	<b>1,097</b>	926	<b>595</b>	518
	_____	_____	_____	_____
	<b>26,144</b>	23,063	<b>13,336</b>	11,618
Restructuring costs	<b>602</b>	37	<b>594</b>	37
	_____	_____	_____	_____
	<b>26,746</b>	23,100	<b>13,930</b>	11,655
	_____	_____	_____	_____

Restructuring costs included redundancy payments of £589k (2022 - £37k). Overall redundancy payments were made to 24 (2022 - 4) individuals.

### Key management personnel

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Salary</b>				
Pensions	<b>1,438</b>	1,319	<b>1,098</b>	924
	<b>88</b>	72	<b>67</b>	52
	_____	_____	_____	_____
	<b>1,526</b>	1,391	<b>1,165</b>	976
	_____	_____	_____	_____

Key management personnel include all directors apart from executive directors who are included below.

£33k (2022 - £33k) SHPS pension deficit contributions paid in the year are included in the association's pension costs above.

	2023 £'000	2022 £'000
<b>Executive Directors</b>		
Aggregate executive directors' remuneration		
Emoluments	<b>896</b>	858
_____		
Highest paid executive director		
Emoluments, excluding pension contributions	<b>219</b>	200
_____		

# Regenda Limited

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

### 8 Employees (continued)

The full-time equivalent number of staff (including executive directors) who received emoluments:

	2023 Number	2022 Number
£60,001 to £70,000	8	8
£70,001 to £80,000	4	2
£80,001 to £90,000	4	10
£90,001 to £100,000	8	4
£110,001 to £120,000	1	-
£130,001 to £140,000	-	2
£140,001 to £150,000	1	-
£150,001 to £160,000	2	2
£180,001 to £190,000	-	1
£230,001 to £240,000	1	-

### 9 Non-Executive Directors Group

	2023 £'000	2022 £'000
Board members		
Board Member remuneration		
T Hepton	3.8	7.5
J Green	1.0	2.4
L Dixon	8.6	6.7
J Wood	5.9	5.8
C Wilson	8.0	16.0
M G O'Doherty	1.1	2.1
N Hibbert	5.9	0.9
S Bonnette	5.9	5.8
C Stuble	0.0	4.2
J Wild	0.0	6.2
T Jones	5.9	5.7
P Roberts	12.5	7.3
M Pierre	5.9	2.6
R Cressey	8.2	0.0
S Finnegan	4.8	0.0
	77.5	73.9
<b>Board remuneration as a % of Group turnover</b>	<b>0.10%</b>	0.10%

# Regenda Limited

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

### 9 Board members and executive directors (continued)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Severance and redundancy payments</b>				
Total severance and redundancy payments	<b>580</b>	-	<b>580</b>	-

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 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Proceeds of sale	<b>6,304</b>	4,804	<b>4,585</b>	2,555
Carrying values of fixed assets	<b>(2,510)</b>	(2,299)	<b>(1,726)</b>	(1,065)
	_____	_____	_____	_____
Capital grant recycled (note 29)	<b>3,794</b>	2,505	<b>2,859</b>	1,490
	<b>(1,392)</b>	(1,005)	<b>(1,026)</b>	(642)
	_____	_____	_____	_____
Surplus for the year	<b>2,402</b>	1,500	<b>1,833</b>	848
	_____	_____	_____	_____

# Regenda Limited

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

### 11 Interest receivable and other income

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Interest receivable and similar income	81	7	16	1
	_____	_____	_____	_____

### 12 Interest payable and similar charges

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Bank loans and overdrafts	9,864	10,037	10,151	10,037
Interest capitalised on housing properties under construction	(203)	(159)	(203)	(159)
	_____	_____	_____	_____
	9,661	9,878	9,948	9,878
	_____	_____	_____	_____

The interest rate applied to determine the finance costs during the year was 4.5% for all direct subsidiaries of the Association (2022 - 4.5%).

### 13 Tax on surplus

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Current tax</b>				
UK corporation tax on surplus for the year at 19% (2022 - 19%)	-	-	-	-
Adjustments in respect of prior years	-	2	-	-
	_____	_____	_____	_____
	2	-	-	-
<b>Deferred taxation</b>				
Origination and reversal of timing differences	(677)	426	-	-
Adjustments in respect of prior years	(37)	(181)	-	-
Effects of tax rate change on opening balance	-	71	-	-
	_____	_____	_____	_____
	(714)	316	-	-
	_____	_____	_____	_____
<b>Tax charge on surplus</b>	<b>(714)</b>	<b>318</b>	<b>-</b>	<b>-</b>
	_____	_____	_____	_____

# Regenda Limited

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

### 13 Tax on surplus (continued)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Current tax reconciliation</b>				
Surplus for the period before taxation	(493)	1,667	2,718	2,718
<hr/>				
<b>UK corporation tax rate 19% (2022 - 19%)</b>	(94)	317	516	516
Fixed asset differences	11	-	-	-
Expenses not deductible for tax purposes	6,322	16,883	10,776	10,776
Income not chargeable to corporation tax	(6,665)	(17,152)	(11,292)	(11,292)
Amounts charged directly to statement of changes in equity - gift aid	-	181	-	-
Amounts relating to other comprehensive income or otherwise transferred	(39)	-	-	-
Other differences	-	(2)	-	-
Capital gains/(losses)	(50)	106	-	-
Adjustments in respect of prior periods	(36)	(179)	-	-
Adjustment to deferred tax opening and closing balances	(163)	166	-	-
Deferred tax not recognised	-	(2)	-	-
<hr/>				
<b>Total tax charge</b>	<b>(714)</b>	<b>318</b>	<b>-</b>	<b>-</b>
<hr/>				

# Regenda Limited

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

### 14 Tangible fixed assets – housing properties

Group	Held for letting		Low-cost home ownership		Total Housing properties £'000
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	
<i>Property cost</i>					
At 1 April 2022	549,918	8,368	47,793	3,680	<b>609,759</b>
Additions	-	3,587	-	425	<b>4,012</b>
Properties acquired	814	-	-	-	<b>814</b>
Schemes completed	706	(706)	-	-	-
Works to existing properties	10,071	-	-	-	<b>10,071</b>
Reclassification	-	682	-	-	<b>682</b>
Impairment of properties	(2,661)	-	-	-	<b>(2,661)</b>
Disposals	(3,167)	-	(1,703)	-	<b>(4,870)</b>
Transfer	(12)	-	-	-	<b>(12)</b>
<b>At 31 March 2023</b>	<b>555,669</b>	<b>11,931</b>	<b>46,090</b>	<b>4,105</b>	<b>617,795</b>
<i>Depreciation and impairment</i>					
At 1 April 2022	114,070	-	5,044	-	<b>119,114</b>
Charge for the year	7,959	-	467	-	<b>8,426</b>
Eliminated in respect of impairment	(577)	-	-	-	<b>(577)</b>
Eliminated in respect of disposals	(1,080)	-	(184)	-	<b>(1,264)</b>
Transfer	(39)	-	-	-	<b>(39)</b>
<b>At 31 March 2023</b>	<b>120,333</b>	-	<b>5,327</b>	-	<b>125,660</b>
<i>Net book value</i>					
<b>At 31 March 2023</b>	<b>435,336</b>	<b>11,931</b>	<b>40,763</b>	<b>4,105</b>	<b>492,135</b>
At 31 March 2022	435,848	8,368	42,749	3,680	490,645

# Regenda Limited

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

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

Association	<u>Held for letting</u>		<u>Low-cost home ownership</u>		<u>Total</u> Housing properties £'000
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	
<i>Property cost</i>					
At 1 April 2022	552,103	8,377	12,426	3,678	<b>576,584</b>
Additions	-	3,587	-	425	<b>4,012</b>
Properties acquired	814	-	-	-	<b>814</b>
Schemes completed	706	(706)	-	-	-
Reclassification	-	-	-	-	-
Works to existing properties	10,098	-	-	-	<b>10,098</b>
Reclassification	-	682	-	-	<b>682</b>
Impairment of properties	(2,661)	-	-	-	<b>(2,661)</b>
Transfer to properties held for sale	-	-	-	-	-
Disposals	(3,132)	-	(680)	-	<b>(3,812)</b>
	_____	_____	_____	_____	_____
<b>At 31 March 2023</b>	<b>557,928</b>	<b>11,940</b>	<b>11,746</b>	<b>4,103</b>	<b>585,717</b>
<i>Depreciation and impairment</i>					
At 1 April 2022	102,451	-	341	-	<b>102,792</b>
Charge for the year	7,741	-	124	-	<b>7,865</b>
Eliminated in respect of impairment	(577)	-	-	-	<b>(577)</b>
Eliminated in respect of disposals	(1,068)	-	(38)	-	<b>(1,106)</b>
	_____	_____	_____	_____	_____
<b>At 31 March 2023</b>	<b>108,547</b>	-	<b>427</b>	-	<b>108,974</b>
<i>Net book value</i>					
<b>At 31 March 2023</b>	<b>449,381</b>	<b>11,940</b>	<b>11,319</b>	<b>4,103</b>	<b>476,743</b>
At 31 March 2022	449,652	8,377	12,085	3,678	<b>473,792</b>
	_____	_____	_____	_____	_____

# Regenda Limited

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

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

#### Expenditure on works to existing properties

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Components capitalised	<b>10,071</b>	8,026	<b>10,098</b>	7,913
Amounts charged to income and expenditure account	<b>666</b>	666	<b>666</b>	666
	_____	_____	_____	_____
	<b>10,737</b>	8,692	<b>10,764</b>	8,579
	_____	_____	_____	_____

### 15 Investment properties non-social housing properties held for letting

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	<b>29,966</b>	28,363	<b>22,573</b>	20,470
Additions	<b>2,050</b>	3,199	<b>1,625</b>	2,710
Decrease in value	<b>(283)</b>	(704)	<b>(188)</b>	(607)
Disposals	<b>(310)</b>	(892)	-	-
	_____	_____	_____	_____
At 31 March	<b>31,423</b>	29,966	<b>24,010</b>	22,573
	_____	_____	_____	_____

Investment properties were valued as at 31 March 2023 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.

# Regenda Limited

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

### 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
<i>Cost</i>						
At 1 April 2022	8,236	578	3,586	2,748	6,125	<b>21,273</b>
Additions	-	4	266	316	215	<b>801</b>
Disposals	-	-	(1,550)	(28)	(11)	<b>(1,589)</b>
On acquisition of subsidiary	-	78	27	5	-	<b>110</b>
<b>At 31 March 2023</b>	<b>8,236</b>	<b>660</b>	<b>2,329</b>	<b>3,041</b>	<b>6,329</b>	<b>20,595</b>
<i>Depreciation and impairment</i>						
At 1 April 2022	2,465	467	2,666	1,536	3,908	<b>11,042</b>
Charged in year	75	60	424	218	225	<b>1,002</b>
Elimination on disposal	-	-	(1,550)	(27)	(7)	<b>(1,584)</b>
<b>At 31 March 2023</b>	<b>2,540</b>	<b>527</b>	<b>1,540</b>	<b>1,727</b>	<b>4,126</b>	<b>10,460</b>
<i>Net book value</i>						
<b>At 31 March 2023</b>	<b>5,696</b>	<b>133</b>	<b>789</b>	<b>1,314</b>	<b>2,203</b>	<b>10,135</b>
At 31 March 2022	5,771	111	920	1,212	2,217	10,231

# Regenda Limited

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

### 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
<i>Cost</i>					
At 1 April 2022	3,454	2,625	833	5,518	12,430
Additions	-	225	229	210	664
Disposals	-	(1,532)	(15)	(4)	(1,551)
<b>At 31 March 2023</b>	<b>3,454</b>	<b>1,318</b>	<b>1,047</b>	<b>5,724</b>	<b>11,543</b>
<i>Depreciation and impairment</i>					
At 1 April 2022	459	1,988	435	3,265	6,147
Charged in year	23	333	71	223	650
Elimination on disposal	-	(1,533)	(14)	(4)	(1,551)
<b>At 31 March 2023</b>	<b>482</b>	<b>788</b>	<b>492</b>	<b>3,484</b>	<b>5,246</b>
<i>Net book value</i>					
<b>At 31 March 2023</b>	<b>2,972</b>	<b>530</b>	<b>555</b>	<b>2,240</b>	<b>6,297</b>
At 31 March 2022	2,995	637	398	2,253	6,283

# Regenda Limited

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

### 17 Other intangible assets

<b>Group</b>	<b>Computer software</b>	<b>£'000</b>
<i>Cost</i>		
At 1 April 2022	542	
Additions	39	
		_____
<b>At 31 March 2023</b>	<b>581</b>	
<i>Amortisation</i>		
As at 1 April 2022	470	
Charge for the year	43	
		_____
<b>At 31 March 2023</b>	<b>513</b>	
<i>Net book value</i>		
<b>At 31 March 2023</b>	<b>68</b>	
		_____
At 31 March 2022	72	
		_____

### 18 Goodwill

<b>Group</b>	<b>£'000</b>
<i>Cost</i>	
At 1 April 2022	3,075
Addition in the year (see note 39)	4,894
	_____
At 31 March 2023	7,969
<i>Amortisation</i>	
At 1 April 2022 and 31 March 2023	(3,075)
<i>Net book value</i>	
At March 2023	<b>4,894</b>
At 1 April 2022	-
	_____

# Regenda Limited

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

### 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
The Learning Foundry	1,295
Positive Footprints Limited	25
Ecogee Limited (see note 39)	4,894
	<hr/>
	7,969
	<hr/>

### 19 Investments in subsidiaries

#### Association

	2023 £'000	2022 £'000
<b>Cost</b>		
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 (see note 39)	6,914	-
	<hr/>	<hr/>
	10,538	3,624
	<hr/>	<hr/>

#### 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)
	<hr/>	<hr/>
	(2,062)	(2,062)
	<hr/>	<hr/>

#### Carrying value at 31 March

#### Joint venture

Carrying value of investment in Skylight lettings	-	-
	<hr/>	<hr/>

Skylight Lettings Limited was dissolved on 14 June 2022 and had previously been impaired to £Nil.

# Regenda Limited

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

### 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 2023:

- 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 38.

### 20 Transactions with non-regulated entities

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

	2023 £'000	2022 £'000
<b>M&amp;Y Maintenance and Construction Limited</b>		
Provision of repairs and maintenance services	(30,446)	(25,664)
<b>McDonald Property Rentals Limited</b>		
Management of market rented stock	(9)	(9)
<b>The National Communities Resource Centre Limited</b>		
Purchase of Trafford Hall	-	-
<b>The Learning Foundry</b>		
Training and refurbishment	(25)	(105)
<b>Petrus Community Limited</b>		
Management of rental schemes	(428)	(396)
<b>Regenda Developments Limited</b>		
Development & construction schemes	(3,088)	(1,840)
<b>Ecogee Limited</b>		
Ecogee Limited	-	-

# Regenda Limited

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

### 21 Fixed asset investment

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
As at 1 April 2022	-	-	-	-
Addition	<b>397</b>	-	-	-
Gain on revaluation	<b>10</b>	-	-	-
	_____	_____	_____	_____
As at 31 March 2023	<b>407</b>	-	-	-
	_____	_____	_____	_____

The historical cost of investments is £396,854 (2022 - £Nil).

### 22 Properties held for sale

#### Shared ownership properties

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Work in progress	<b>1,656</b>	2,201	<b>1,656</b>	2,201
	_____	_____	_____	_____

### 23 Stock

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Finished goods and goods for resale	<b>244</b>	103	-	-
	_____	_____	_____	_____

# Regenda Limited

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

### 24 Debtors

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Amounts falling due in more than one year</b>				
Other debtors	<b>1,611</b>	1,611	<b>1,611</b>	1,611
<b>Amounts falling due within one year</b>				
Rent and service charges receivable	<b>3,258</b>	3,255	<b>2,314</b>	2,459
Less provision for bad and doubtful debts	<b>(2,023)</b>	(2,093)	<b>(1,305)</b>	(1,581)
Net rent arrears	<b>1,235</b>	1,162	<b>1,009</b>	878
Trade debtors	<b>1,708</b>	741	-	-
Social housing grants receivable	<b>115</b>	115	<b>115</b>	115
Other debtors	<b>3,212</b>	1,640	<b>527</b>	494
Amounts owed by group undertakings	-	-	<b>180</b>	422
Prepayments and accrued income	<b>3,574</b>	2,169	<b>1,212</b>	617
Corporation tax	<b>5</b>	5	-	-
<b>Total debtors falling due within one year</b>	<b>9,849</b>	5,832	<b>3,043</b>	2,526
<b>Total debtors</b>	<b>11,460</b>	7,443	<b>4,654</b>	4,137

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

# Regenda Limited

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

### 25 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Debt (note 28)	<b>8,239</b>	4,617	<b>8,239</b>	4,617
Bank overdraft	-	3	-	-
Trade creditors	<b>2,943</b>	1,627	<b>535</b>	671
Rent and service charges received in advance	<b>3,151</b>	2,811	<b>2,767</b>	2,489
Amounts owed to group undertakings	-	-	<b>23,439</b>	20,334
Other creditors	<b>2,664</b>	2,960	<b>1,780</b>	2,091
Other taxation and social security	<b>596</b>	36	<b>97</b>	36
Accruals and deferred income	<b>10,029</b>	5,761	<b>6,654</b>	3,873
Recycled capital grant fund (note 29)	<b>590</b>	1,159	<b>244</b>	645
Deferred capital grant (note 30)	<b>2,554</b>	2,534	<b>2,333</b>	2,313
Leaseholder funds	<b>416</b>	1,214	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>31,182</b>	22,722	<b>46,088</b>	37,069
	<hr/>	<hr/>	<hr/>	<hr/>

### 26 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Recycled capital grant fund (note 29)	<b>2,504</b>	1,679	<b>1,702</b>	898
Deferred capital grant (note 30)	<b>222,732</b>	223,094	<b>193,315</b>	192,849
Debt (note 28)	<b>206,988</b>	205,123	<b>206,901</b>	205,123
Sinking funds	<b>2,149</b>	2,032	<b>1,203</b>	1,164
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>434,373</b>	431,928	<b>403,121</b>	400,034
	<hr/>	<hr/>	<hr/>	<hr/>

# Regenda Limited

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

### 27 Provisions for liabilities

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Caton	<b>1,300</b>	-	-	-
Deferred tax (see note 13)	9	723	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,309</b>	723	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Caton</b>				
At 1 April	-	-	-	-
Charged to the Statement of Comprehensive Income	1,300	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	1,300	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Deferred tax summary</b>				
Accelerated capital allowances	<b>9</b>	723	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 April	<b>723</b>	407	-	-
Amount charged (credited) to income and expenditure account	<b>(714)</b>	316	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March</b>	<b>9</b>	723	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

# Regenda Limited

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

### 28 Debt analysis

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Due within one year</b>				
Bank loans (note 25)	<b>8,239</b>	4,617	<b>8,239</b>	4,617
<b>Due after more than one year</b>				
Bank loans	<b>148,667</b>	146,787	<b>148,580</b>	146,787
Notes and debentures	<b>55,000</b>	55,000	<b>55,000</b>	55,000
Loan premium	<b>5,851</b>	6,116	<b>5,851</b>	6,116
Loan set up costs	<b>(2,530)</b>	(2,780)	<b>(2,530)</b>	(2,780)
	<b>206,988</b>	205,123	<b>206,901</b>	205,123
<b>Total</b>				
	<b>215,227</b>	209,740	<b>215,140</b>	209,740
In one year or less (note 25)	<b>8,239</b>	4,617	<b>8,239</b>	4,617
Between one and two years	<b>6,049</b>	8,254	<b>5,962</b>	8,254
Between two and five years	<b>17,257</b>	17,086	<b>17,257</b>	17,086
In five years to more	<b>128,682</b>	124,783	<b>128,682</b>	124,783
	<b>160,227</b>	154,740	<b>160,140</b>	154,740
M&G Senior Note 4.96% repayable 2043	<b>22,000</b>	22,000	<b>22,000</b>	22,000
M&G Senior Note 5.01% repayable 2048	<b>22,000</b>	22,000	<b>22,000</b>	22,000
M&G Senior Note 5.00% repayable 2053	<b>11,000</b>	11,000	<b>11,000</b>	11,000
	<b>215,227</b>	209,740	<b>215,140</b>	209,740

# Regenda Limited

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

### 28 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 16 years and are at fixed or variable interest rates between 2.032% and 10.43%. The group has facilities of £266.8m (2022 - £271m). At 31 March 2023, the group had undrawn loan facilities of £55m (2022 - £65m). The group uses its housing properties as security for all its existing loan facilities.

Three of the loans are bullet repayments due between 2023 and 2047. The remaining THFC indexed loan is repayable by half yearly instalments with final maturity in 2024.

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 2023 £'000	Group 2022 £'000
Fixed rate	<b>177,304</b>	178,952
Variable rate	<b>50,813</b>	43,206
At 31 March	<b>230,793</b>	222,158

The fixed rate financial liabilities have a weighted average interest rate of 4.63% (2022 - 4.25%) and the weighted average period for which is fixed is 17 years (2022 - 18 years).

# Regenda Limited

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

### 29 Recycled capital grant fund

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	<b>2,838</b>	2,835	<b>1,543</b>	1,551
Grants recycled	<b>1,392</b>	1,005	<b>1,026</b>	642
Grants utilised in the year	<b>(513)</b>	(352)	-	-
Interest Accrued	<b>34</b>	-	<b>34</b>	-
Grant utilised in year	<b>(657)</b>	(650)	<b>(657)</b>	(650)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	<b>3,094</b>	2,838	<b>1,946</b>	1,543
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts to be released within one year (note 25)	<b>590</b>	1,159	<b>244</b>	645
Amounts to be released in more than one year (note 26)	<b>2,504</b>	1,679	<b>1,702</b>	898
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>3,094</b>	2,838	<b>1,946</b>	1,543
	<hr/>	<hr/>	<hr/>	<hr/>

# Regenda Limited

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

### 30 Deferred capital grant income

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	<b>225,628</b>	227,472	<b>195,162</b>	196,256
Grants received in the year	<b>3,950</b>	1,778	<b>3,950</b>	1,778
Released to income in the year	<b>(3,026)</b>	(2,777)	<b>(2,565)</b>	(2,316)
Grant disposed in the year	<b>(1,266)</b>	(845)	<b>(900)</b>	(556)
	_____	_____	_____	_____
At 31 March	<b>225,286</b>	225,628	<b>195,647</b>	195,162
	_____	_____	_____	_____
Amounts to be released within one year (note 25)	<b>2,554</b>	2,534	<b>2,333</b>	2,313
Amounts to be released in more than one year (note 26)	<b>222,732</b>	223,094	<b>193,314</b>	192,849
	_____	_____	_____	_____
	<b>225,286</b>	225,628	<b>195,647</b>	195,162
	_____	_____	_____	_____
Government funding received	<b>299,387</b>	295,437	<b>253,350</b>	249,400
Grants amortised to date (contingent liabilities)	<b>(74,101)</b>	(69,809)	<b>(57,703)</b>	(54,238)
	_____	_____	_____	_____
	<b>225,286</b>	225,628	<b>195,647</b>	195,162
	_____	_____	_____	_____

# Regenda Limited

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

### 31 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 2023. 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.

# Regenda Limited

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

### 31 Net pension liability (continued)

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

	2023 £'000	2022 £'000
Fair value of plan assets	<b>33,587</b>	51,593
Present value of defined benefit obligation	<b>(40,919)</b>	(58,721)
	<hr/>	<hr/>
Deficit in plan	<b>(7,332)</b>	<b>(7,128)</b>
	<hr/>	<hr/>
	2023 £'000	2022 £'000
Defined benefit obligation at start of year	<b>58,721</b>	61,407
Expenses	33	33
Interest expense	<b>1,619</b>	1,331
Actuarial (gains) losses due to scheme experience	<b>(88)</b>	2,747
Actuarial (gains) losses due to changes in demographic assumptions	<b>(97)</b>	(934)
Actuarial (gains) losses due to changes in financial assumptions	<b>(17,916)</b>	(4,687)
Benefits paid and expenses	<b>(1,353)</b>	(1,176)
	<hr/>	<hr/>
<b>Defined benefit obligation at end of period</b>	<b>40,919</b>	<b>58,721</b>
	<hr/>	<hr/>

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

	2023 £'000	2022 £'000
Fair value of plan assets at start of year	<b>51,593</b>	49,096
Interest income	<b>1,444</b>	1,078
Experience on plan assets (excluding amounts included in interest income) – (loss) gain	<b>(19,819)</b>	1,056
Contributions by the employer	<b>1,722</b>	1,539
Benefits paid and expenses	<b>(1,353)</b>	(1,176)
	<hr/>	<hr/>
<b>Fair value of plan assets at end of year</b>	<b>33,587</b>	<b>51,593</b>
	<hr/>	<hr/>

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2023 was a loss of £18,375,000 (2022: gain of £2,134,000).

# Regenda Limited

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

### 31 Net pension liability (continued)

#### DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	2023 £'000	2022 £'000
Current service cost	-	-
Expenses	33	33
Net interest expense	175	253
<b>Defined benefit costs recognised in statement of comprehensive income</b>	<b>208</b>	<b>286</b>

#### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2023 £'000	2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(19,819)	1,056
Experience gains and losses arising on the plan liabilities – gain/(loss)	88	(2,747)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	97	934
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	17,916	4,687
<b>Total amount recognised in other comprehensive income – (loss)/gain</b>	<b>(1,718)</b>	<b>3,930</b>

#### ASSETS

	2023 £'000	2022 £'000
Absolute Return	363	2,070
Alternative Risk Premia	62	1,701
Corporate Bond Fund	-	3,442
Credit Relative Value	1,268	1,715
Distressed Opportunities	1,017	1,846
Emerging Markets Debt	180	1,501
Fund of Hedge Funds	-	-
Global Equity	627	9,901
Infrastructure	3,836	3,675

# Regenda Limited

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

### 31 Net pension liability (continued)

ASSETS (continued)	2023 £'000	2022 £'000
Insurance-Linked Securities	848	1,203
Liability Driven Investment	15,468	14,396
Long Lease Property	1,013	1,328
Net Current Assets	86	143
Private Debt	1,495	1,323
Property	1,446	1,393
Risk Sharing	2,473	1,699
Secured Income	1,542	1,922
Opportunistic Illiquid Credit	1,437	1,733
Liquid Credit	-	-
High Yield	118	445
Opportunistic Credit	2	184
Cash	242	175
Currency hedging	64	(202)
<b>Total assets</b>	<b>33,587</b>	<b>51,593</b>

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

	2023 % per annum	2022 % per annum
Discount Rate	4.86%	2.79%
Inflation (RPI)	3.19%	3.54%
Inflation (CPI)	2.77%	3.17%
Salary Growth	3.77%	4.17%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2023 Life expectancy at age 65 (Years)	2022 Life expectancy at age 65 (Years)
Male retiring in 2023	21.0	21.1
Female retiring in 2023	23.4	23.7
Male retiring in 2039	22.2	22.4
Female retiring in 2039	24.9	25.2

# Regenda Limited

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

### 32 Share capital

	Association 2023 £	Association 2022 £
<i>Allotted, issued and fully paid At 1 April and 31 March</i>	<b>9</b>	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.

### 33 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.

### 34 Capital commitments

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
<b>Capital expenditure</b>				
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<b>12,497</b>	6,957	<b>12,497</b>	6,957
Capital expenditure that has been authorised but has not yet been contracted for	<b>32,675</b>	18,194	<b>32,675</b>	18,194
	<b>45,172</b>	25,151	<b>45,172</b>	25,151

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

# Regenda Limited

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

### 35 Operating leases

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Land and buildings:				
In one year or less	<b>145</b>	154	<b>4</b>	8
Between one and five years	<b>141</b>	308	-	14
In more than five years	-	24	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>286</b>	486	<b>4</b>	22
	<hr/>	<hr/>	<hr/>	<hr/>
Office equipment, computer equipment and motor vehicles:				
In one year or less	<b>509</b>	191	<b>8</b>	8
Between one and five years	<b>1,486</b>	636	<b>4</b>	19
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,995</b>	827	<b>12</b>	27
	<hr/>	<hr/>	<hr/>	<hr/>

### 36 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.

# Regenda Limited

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

### 37 Cash flow from operating activities

	Group 2023 £	Group 2022 £
Surplus for the year	<b>221</b>	1,349
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	<b>9,428</b>	9,325
Impairment	<b>2,084</b>	1,071
Amortisation of grant	<b>(3,026)</b>	-
Movement in debtors	<b>(1,773)</b>	(315)
Movement in creditors	<b>1,846</b>	(42)
Movement in provisions	<b>1,301</b>	-
Movement in stock	-	37
Pension costs less contributions payable	<b>(1,514)</b>	(1,253)
Movement in properties held for sale/stock	<b>(137)</b>	(1,456)
Amortisation of intangibles	<b>43</b>	36
Unwinding of loan premium	<b>(265)</b>	-
Amortisation of debt issue costs	<b>247</b>	-
Gain on fixed asset investment	<b>(10)</b>	-
Government grants utilised in the year	-	(2,777)
Corporation tax paid	<b>(714)</b>	288
Taxation charge	-	318
Interest receivable	<b>(81)</b>	(7)
Interest payable	<b>9,661</b>	9,878
Surplus on sales of assets	<b>(2,436)</b>	(1,500)
Fair value losses on investment properties	<b>283</b>	704
<hr/>		
<b>Net cash generated from operating activities</b>	<b>15,158</b>	15,656
<hr/>		

### 38 Related parties

During the year gift aid of £208k (2022: £999K) was received from subsidiary undertakings. £Nil (2022 - £977k) was received from Redwing Living, £207k (2022 - £22k) from M&Y Maintenance and from Construction, and £1,050k (2022: £Nil) from Regenda Developments.

# Regenda Limited

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

### 38 Related parties (continued)

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

<b>Organisation</b>	<b>Status</b>	<b>Country</b>	<b>Principal activity</b>	<b>Basis of control</b>
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

# Regenda Limited

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

### 39 Business combination

On 3 March 2023, Regenda Limited acquired 100% of the share capital of Ecogee Limited.

#### Acquisition of Ecogee Limited

##### Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
<b>Fixed assets</b>			
Tangible	110	-	110
	110	-	110
<b>Current assets</b>			
Stock	141	-	141
Debtors	2,243	-	2,243
Cash at bank and in hand	1,425	-	1,425
	3,809	-	3,809
<b>Creditors</b>			
Due within one year	(1,810)	-	(1,810)
Due in more than one year	(89)	-	(89)
	(1,899)	-	(1,899)
<b>Total identifiable net assets</b>	<b>2,020</b>	-	<b>2,020</b>
Goodwill			4,894
<b>Total purchase consideration</b>			<b>6,914</b>
<b>Consideration</b>			
Cash			3,411
Contingent consideration			2,218
Deferred consideration			1,285
			6,914

# Regenda Limited

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

### 39 Business combination (continued)

Cash outflow on acquisition	£
Purchase consideration settled in cash, as above	3,411
Less: cash and cash equivalents acquired	(1,425)
<b>Net cash outflow on acquisition</b>	<b>1,986</b>

The goodwill arising on acquisition is attributable to achieving the following corporate objectives:

- To boost the 'Housing and Construction' group offer due to Ecogee's specialist knowledge, expertise, and ability to deliver retrofit funded works;
- To provide gift aid to the group from commercial profit generated; and
- To support and provide expertise in the development and delivery of the retrofit training offer for The Learning Foundry.

The goodwill on acquisition has arisen from the difference of the 'fair value' of the assets acquired of £2.020m of identifiable net assets and the total purchase consideration of £6.914m.

The deferred consideration of £3.503m is comprised of: £1.285m, for a combination of cash plus working capital minus indebtedness; in addition, £2.218m in respect of the present value of contingent consideration for potential future earn out payments. The earn out period commences on the 1<sup>st</sup> March 2023 and ends on the 28<sup>th</sup> February 2025. The earn out arrangements are based on the performance of Ecogee based on EBITDA for the next two years. The present value of £2.218m is based on a prudent initial valuation of those expected future cash out flows.

The carrying value of Ecogee, along with all other subsidiaries and other assets is subject to annual impairment review.

The results of Ecogee Limited since acquisition are as follows:

	£
Turnover	1,154
Profit	159