

*Co-operative and Community Benefit Society (FCA) No 23202R*

*Regulator of Social Housing No SL3224*

**Plumlife Homes Limited**

**Report and Financial Statements**

**For the Year ended 31 March 2019**

**PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

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**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2019**  
**ASSOCIATION INFORMATION**

**Board**

Chair	A. Davison
Deputy Chair	J. Rayner
Other Members	C. Amyes (from 18/10/2018)
	C. Cashman
	J. Fitzgerald
	J. Green
	M. Hanson (from 18/10/2018)
	M. Harrison
	B. Nevin
	D. Robinson
	S. Young

**Executive Directors**

Chief Executive	M. Harrison
Executive Director of Finance and Company Secretary	P. Elvy
Executive Director of Growth and Assets	P. Bojar
Executive Director of Customer Services	G. Cresswell
Executive Director of People and Culture	A. Dean (from 01/04/2019)

**Registered office:** 2a Derwent Avenue  
Manchester  
M21 7QP

**Web site:** [www.greatplaces.org.uk](http://www.greatplaces.org.uk)  
[www.plumlife.co.uk](http://www.plumlife.co.uk)

**Registered Numbers:** Regulator of Social Housing No: SL3224  
Co-operative and Community Benefit Society No: 23202R

**External Auditors:**

BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

**Internal Auditors:**

PwC  
No. 1  
1 Hardman Street  
Manchester  
M3 3EB

**Bankers:**

The Royal Bank of Scotland plc  
P.O. Box 356  
38 Mosley Street  
Manchester  
M60 2BE

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **REPORT OF THE BOARD**

The Board presents its report and the audited financial statements for the year ended 31 March 2019.

#### **Principal activities**

Plumlife Homes Limited's ("the Association") principal activities include the management of shared ownership and rent to homebuy properties for the Great Places Housing Group and management of leasehold and private housing schemes.

#### **Business review**

The surplus after tax for the year ended 31 March 2019 was £1,000k (2018: £720k). At the year-end revenue reserves amounted to £2,547k (2018: £2,417k).

Staircasing (sale of equity tranches in properties) sales activity has continued to be steady with eight staircasings taking place, yielding a net gain on disposal of £305k (2018: £101k).

In respect of the year ended 31 March 2019 a gift aid payment of £870k (2018: £598k) was made on 25 March 2019 to Great Places Housing Association.

#### **Housing property assets**

Details of changes to the Association's property assets are shown in note 12 of the financial statements.

#### **Trade creditors**

The Association's trade creditors fall into three main categories – suppliers engaged under formal contracts, utilities and others. The Association has a policy of paying suppliers in accordance with contractual terms, utilities upon receipt of invoice and others by at least the end of the month following the invoice date.

#### **Donations**

During the years ended 31 March 2019 and 31 March 2018 the Association made no political contributions and any charitable donations were made during the course of its ordinary activities.

#### **Post balance sheet events**

There have been no events since the year-end that have had a significant effect on the Association's financial position.

#### **Equality, diversity and inclusion**

The Association has, and continually reappraises, a full and comprehensive policy of equality, diversity and inclusion.

#### **Health and safety**

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

#### **Board members and executive directors**

The Board members and the executive directors of the Association at 31 March 2019 are set out on page 3 of these financial statements as well as details of all the members and directors that have served during the period from 1 April 2018 up to the date these statements have been signed.

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

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **REPORT OF THE BOARD**

#### **Risk management**

Our risk management strategy is designed to manage risks in the best way possible and reduce their potential for damage to an acceptable level, whilst avoiding the adoption of a risk averse appetite which stifles innovation and growth.

During 2018/19 our corporate risk register has been aligned to our Corporate Plan to ensure there is clear visibility of the threats that could prevent us from achieving the challenging and ambitious targets that we have identified. This resulted in a new risk register framed around the three core themes within the Corporate Plan: Great Homes, Great Communities, Great People, alongside identification of the core underpinning issues which could threaten the organisation's governance and financial strength.

In addition to the corporate risk register, we maintain a watch list which provides the Board and the Senior Management Team with visibility of issues on the horizon, primarily externally driven, which we cannot articulate at this time do to their nature. As and when these issues become more concrete, an assessment is undertaken about whether they need to be factored into the corporate risk register, or dismissed as non-material.

This process is inherently linked with our approach to keeping risk management "live" within the business. Our Board receive regular risk updates alongside six monthly deep dive reports focussing on compound risk and our progress towards target risk scores, supplemented by the role of the Audit and Assurance Committee in scrutinising a selection of risks at each meeting to receive assurance on the effectiveness of the current controls and mitigation strategies.

#### **Internal controls assurance**

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

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

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

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **REPORT OF THE BOARD**

#### **Internal Controls Framework**

To assess the effectiveness of the internal control system, a comprehensive framework is in place consisting of sources of assurance that bring together information from all significant parts of the business. The main forms of assurance are:

- Our Risk and Assurance Strategy reinforced by a comprehensive Risk Policy (approved by Board in October 2018) and methodology which is monitored via routine risk reporting to every Board meeting, with detailed six monthly reviews, and additional scrutiny provided by Audit and Assurance Committee members;
- The prioritisation of Critical Success Factors (“CSFs”) linked to corporate plan targets which include targets and, where appropriate aspirational stretch targets, which help to ensure our performance management framework is focused on what matters most and on providing focus and assurance;
- Appointment of experienced and suitably qualified staff to take responsibility for important business functions. Annual appraisals (based around our Competency Framework) and monthly reviews to maintain high standards of performance, and revised HR processes to address any gaps or failings;
- A managed “Strategies, Policies and Procedures” site on the intranet to ensure that documents are signed off by the appropriate management forums, and are reviewed regularly. Board review and approval of key corporate strategies. The Whistleblowing and Anti-fraud Policies, and a register of all actual or potential frauds, are reported to Audit and Assurance Committee, and to the regulator via an annual report;
- Financial forecasts and budgets which allow the Board and the management team to monitor key financial risks and spend in terms of achieving budgets in the short, medium and long term;
- Annual audit reports to Board from both internal and external auditors, and meetings with Audit and Assurance Committee members without officers present to allow them to raise any concerns;
- Compliance reports and regulatory judgements issued by the Regulator of Social Housing and other regulatory bodies;
- A full range of insurances in place to safeguard assets which are regularly reviewed to ensure they are fit for purpose;
- A rigorous approvals process (and scheme of delegations contained within the Code of Governance) to ensure that all significant new initiatives, major commitments, development schemes and investment projects are subject to formal authorisation procedures by the Executive Team, the Board, or the Committees of the Board;
- External accreditations and assurance reviews e.g. credit rating reviews from Moody’s and Fitch;
- Governance arrangements which provide for the Board to be able to create time-bound “Task and Finish” groups through which a small number of Board members can provide additional insight and guidance on specific issues or projects; and
- Health and safety infrastructure with architecture of meetings from local to strategic.

#### **Progress during 2018/19**

During 2018/19 the following steps were taken to enhance the control environment, and the level of assurance that the Board can take from it:

- Significant work was undertaken during the year to strengthen controls relating to data protection in line with the requirements of the new General Data Protection Regulations (“GDPR”);

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **REPORT OF THE BOARD**

- A recruitment exercise was undertaken to bring two new non-Executive Directors onto the Board to enhance the skills profile of the Board;
- The Assurance Map was updated to bring it in line with the revised risk register, and the Corporate Plan;
- The Asset and Liability register was enhanced. This accurately records our position, and provides easy access to documentation for relevant agencies in the event that the Association becomes financially insecure;
- An updated Anti-fraud Policy was developed which references our obligations under legislation;
- An updated Anti-money Laundering Policy was developed in line with the National Housing Federation guidance which provides additional advice for colleagues on the associated risks;
- Updated Delegated Authorities were agreed to ensure there are appropriate systems of control and segregation of duties in the approvals process;
- A revised Treasury Management Strategy and Policy were approved;
- A new Risk and Assurance Policy was approved, bringing together two separate documents into one cohesive policy which outlines our broad approach to internal control;
- The Business Transformation review of the Finance team was concluded, which introduced additional roles into the team to allow for more systemic controls and segregation of duties;
- A self-assessment workshop was held to identify risk exposure across the business in relation to the Criminal Finances Act, and an action plan agreed to minimise the points identified.

#### **Audit work undertaken in 2018/19**

During 2018/19, all internal audit and assurance work was undertaken by PwC employing a risk based internal audit approach. They have provided this work since their appointment in April 2015, and at the March 2019 Audit and Assurance Committee meeting, the Committee approved their re-appointment for a period of three years, covering April 2019 to 31 March 2022.

Work carried out under this framework included 12 assurance reviews across a broad range of service areas, and one advisory review (an IT Risk Diagnostic). The 12 assurance reviews produced:

- 4 medium risk outcomes (GDPR, IT Disaster Recovery, Fire Risk Assessments, Divestment & Disposals )
- 8 low risk outcomes (Asset Management, Business Intelligence, Asset & Liabilities Register, Core Financial Controls, Distribution Centre, Independence & Wellbeing, Human Resources and Allocations & Lettings)

In total, 30 findings were identified. Only one recommendation was identified to be high risk (a reliance on spreadsheets for tracking our Fire Safety audits) and 57% of findings were classified as low risk.

Internal audit follow up has also been conducted on four occasions during the year with 85% of recommendations fully implemented (this includes 100% implementation during quarters three and four).

In their internal audit annual report for 2018/19 PwC state that, "Our work has identified there are robust controls in place within Great Places to ensure that actions agreed as a result of Internal Audit reviews are implemented in a timely way and that evidence to support their implementation is recorded on the audit issue tracking system."

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **REPORT OF THE BOARD**

#### **Internal controls assurance conclusion**

The Board can take assurance that the organisation is reacting appropriately to the challenges it is facing and has acted proactively to identify, investigate and communicate issues and management actions in an accessible, transparent manner.

The system of internal control is a significant part of Great Places' governance arrangements and is designed to manage risk to a reasonable level rather than to eliminate all risk. It can, therefore, only provide reasonable rather than absolute assurance.

The Board confirms that the organisation has suitable internal controls for maintaining adequate accounting records, for safeguarding the assets of the Association, and for taking reasonable steps to prevent and detect fraud and other irregularities. The Board also confirms that no weaknesses have been identified from external audit which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

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

#### **Strategic Report**

The Association has decided not to include a Strategic Report, on the basis that a Group Strategic Report has been included in the financial statements of its parent company Great Places Housing Group Limited.

#### **Going concern**

After making enquiries, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. Therefore, the Board continues to adopt the going concern basis in the financial statements.

#### **Annual general meeting**

The annual general meeting will be held on 19 September 2019 at 2a Derwent Avenue, Manchester.

#### **External auditors**

A resolution to re-appoint BDO LLP will be proposed at the AGM on 19 September 2019.

#### **Statement of compliance**

In preparing this Board report, the Board has complied with the Regulator of Social Housing's Governance and Financial Viability Standard as set out in the Accounting Direction 2019.

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

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

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



## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### REPORT OF THE BOARD

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 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 2019. They are also 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 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 Association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

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

The report of the Board was approved by the Board on 25 July 2019 and signed on its behalf by:



**P. Elvy**

Company Secretary

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED**

#### **Opinion**

We have audited the financial statements of Plumlife Homes Limited ("the Association") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Association's affairs as at 31 March 2019 and of the Association's surplus for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Board are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report 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,

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED**

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 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- The information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- Adequate accounting records have not been kept by the Association; or
- A satisfactory system of control has not been maintained over transactions; or
- The Association financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Board**

As explained more fully in the statement of the responsibilities of the Board set out on page 8, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**

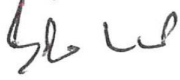
This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are 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

**PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED**

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.



**BDO LLP**

Statutory Auditor

Manchester

1 August 2019

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

**PLUMLIFE HOMES LIMITED**

Year ended 31 March 2019

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	2019 £'000	2018 £'000
<b>Turnover</b> (excluding amortisation of government grants)	4	4,109	3,680
Amortisation of government grants	4	21	21
<b>Total turnover</b>	4	<b>4,130</b>	<b>3,701</b>
Operating costs	4	(3,445)	(3,064)
Surplus on sale of fixed assets – housing properties	5	305	101
<b>Operating surplus</b>	6	<b>990</b>	<b>738</b>
Interest receivable	7	25	12
Interest and financing costs	8	(8)	(9)
<b>Surplus on ordinary activities before taxation</b>		<b>1,007</b>	<b>741</b>
Tax on surplus on ordinary activities	9	(7)	(21)
<b>Surplus for the year and total comprehensive income</b>		<b>1,000</b>	<b>720</b>

All amounts relate to continuing activities.

The accompanying notes on pages 16 to 29 form part of these financial statements.

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2019**  
**STATEMENT OF FINANCIAL POSITION**

	Note	2019 £'000	2018 £'000
<b>Tangible fixed assets</b>			
Housing properties at cost	12	3,024	3,159
Depreciation	12	(486)	(484)
		<u>2,538</u>	<u>2,675</u>
<b>Current assets</b>			
Debtors	13	479	541
Cash at bank and in hand		5,172	4,441
		<u>5,651</u>	<u>4,982</u>
<b>Creditors:</b> Amounts falling due within one year	14	(3,899)	(3,405)
		<u>1,752</u>	<u>1,577</u>
<b>Net current assets</b>		<u>1,752</u>	<u>1,577</u>
<b>Total assets less current liabilities</b>		<u>4,290</u>	<u>4,252</u>
<b>Creditors:</b> Amounts falling due after one year			
Deferred capital grant due after more than one year	15	(1,676)	(1,762)
Other creditors falling due after more than one year	15	(67)	(73)
		<u>2,547</u>	<u>2,417</u>
<b>Net assets</b>		<u>2,547</u>	<u>2,417</u>
<b>Capital and reserves</b>			
Non-equity share capital	21	-	-
Revenue reserves		2,547	2,417
<b>Association's funds</b>		<u>2,547</u>	<u>2,417</u>

The accompanying notes on pages 16 to 29 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 25 July 2019 and signed on its behalf by:

  
Board member  
J. Rayner

  
Board member  
J. Fitzgerald

  
Secretary  
P. Elvy

**PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

**STATEMENT OF CHANGES IN RESERVES**

	<b>Share capital</b>	<b>Revenue reserve</b>	<b>Total</b>
	<b>£</b>	<b>£'000</b>	<b>£'000</b>
As at 1 April 2018	9	2,417	2,417
Surplus for the year and total comprehensive income	-	1,000	1,000
Gift aid payment	-	(870)	(870)
<b>As at 31 March 2019</b>	<b>9</b>	<b>2,547</b>	<b>2,547</b>

	<b>Share capital</b>	<b>Revenue reserve</b>	<b>Total</b>
	<b>£</b>	<b>£'000</b>	<b>£'000</b>
As at 1 April 2017	9	2,295	2,295
Surplus for the year and total comprehensive income	-	720	720
Gift aid payment	-	(598)	(598)
<b>As at 31 March 2018</b>	<b>9</b>	<b>2,417</b>	<b>2,417</b>

## **PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Legal status**

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

#### **2. Accounting policies**

Major accounting policies are detailed within the relevant note from note 4 onwards.

##### **Basis of accounting**

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Plumlife Homes Limited included the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBEs.

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 11 Basic Financial Instruments; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Great Places Housing Group Limited as at 31 March 2019 and these financial statements may be obtained from their registered office.

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

##### **Value Added Tax (VAT)**

The Association is VAT registered as part of the Great Places Housing Group VAT registration. A large proportion of its income, rents and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

##### **Service charges**

The Association has both fixed and variable service charges for its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.



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

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. We have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value - Social Housing (EUV-SH) or depreciated replacement cost.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.

#### **Rental and other trade receivables (debtors) (see note 13)**

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

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

#### **Policies**

Income is measured at the fair value of the consideration received or receivable. The Association generates the following material income streams: Rental income receivable (after deducting lost rent from void properties available for letting); Service charge receivable; and Revenue grants.

Rental income is recognised from the point when properties under development reach practical completion and are formally let.

Grants in respect of revenue expenditure are credited to the income statement when the conditions for receipt of agreed grant funding are met. Capital grant is released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

**PLUMLIFE HOMES LIMITED**

Year ended 31 March 2019

**NOTES TO THE FINANCIAL STATEMENTS****4 - Particulars of turnover, cost of sales, operating costs and operating surplus (continued)****Note A - Particulars of turnover, cost of sales, operating costs and operating surplus**

	Turnover	Operating costs	2019 Operating surplus
	£'000	£'000	£'000
<b>Social housing lettings (note B)</b>	<b>1,022</b>	<b>(586)</b>	<b>436</b>
<b>Other social housing activities</b>			
Managed properties	2,275	(1,973)	302
Marketing income	728	(865)	(137)
Other	36	(8)	28
	<b>3,039</b>	<b>(2,846)</b>	<b>193</b>
<b>Non-social housing activities</b>			
Commercial property income	69	(13)	56
	<b>4,130</b>	<b>(3,445)</b>	<b>685</b>
Surplus on sale of fixed assets (note 5)			305
			<b>990</b>

	Turnover	Operating costs	2018 Operating surplus
	£'000	£'000	£'000
<b>Social housing lettings (note B)</b>	<b>860</b>	<b>(338)</b>	<b>522</b>
<b>Other social housing activities</b>			
Managed properties	1,976	(1,946)	30
Marketing income	865	(780)	85
Other	-	-	-
	<b>2,841</b>	<b>(2,726)</b>	<b>115</b>
	<b>3,701</b>	<b>(3,064)</b>	<b>637</b>
Surplus on disposal of fixed assets (note 5)			101
			<b>738</b>

# PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

## NOTES TO THE FINANCIAL STATEMENTS

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

#### Note B - Particulars of income and expenditure from social housing lettings

The turnover, operating expenditure and surplus from social housing lettings can be broken down further, as follows:

	General needs housing	Shared ownership	Total 2019	Total 2018
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	437	364	801	664
Service charge income	119	56	175	175
Amortisation of government grants	-	21	21	21
Other income	1	24	25	-
Turnover from <b>social housing lettings</b>	<b>557</b>	<b>465</b>	<b>1,022</b>	<b>860</b>
Management	138	134	272	84
Services charge costs	186	56	242	189
Routine maintenance	30	3	33	39
Bad debts	10	3	13	(1)
Depreciation of housing properties	-	26	26	27
Operating expenditure on social <b>housing lettings</b>	<b>364</b>	<b>222</b>	<b>586</b>	<b>338</b>
<b>Operating surplus on social housing lettings</b>	<b>193</b>	<b>243</b>	<b>436</b>	<b>522</b>
Void losses	6	-	6	9

### 5. Surplus on sale of fixed assets – housing properties

	2019 £'000	2018 £'000
Disposal proceeds (net of costs)	448	154
Carrying value of fixed assets	(54)	(22)
	<b>394</b>	<b>132</b>
Capital grant recycled (note 18)	(89)	(31)
	<b>305</b>	<b>101</b>

### 6. Operating surplus

This is arrived at after charging:

	2019 £'000	2018 £'000
Depreciation of housing properties	26	27
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	6	6
-for other services relating to taxation	3	2

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 7. Interest receivable and other income

##### Policy

Interest receivable is credited to the income statement in the year.

	2019	2018
	£'000	£'000
Interest receivable and similar income	25	12
	<b>25</b>	<b>12</b>

#### 8. Interest payable and financing costs

##### Policy

Interest payable is charged to the income and expenditure account in the year.

	2019	2018
	£'000	£'000
Loans and bank overdrafts	8	9
	<b>8</b>	<b>9</b>

#### 9. Tax on surplus on ordinary activities

##### Policy

###### Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income and expenditure account, except that a change attributable to an item of income and expense is recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

###### Deferred Tax

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 9. Tax on surplus on ordinary activities (continued)

	2019 £'000	2018 £'000
<b>Current tax</b>		
UK corporation tax charge for year	7	21
<b>Tax reconciliations</b>		
Surplus on ordinary activities before tax	1,007	741
Gift aid payment not subject to tax	(870)	(598)
Profit subject to tax	137	143
Whereon corporation tax at the standard rate of tax (19%)	26	27
<b>Effects of:</b>		
Income not deductible for tax purposes	(19)	(6)
<b>Total tax charge</b>	<b>7</b>	<b>21</b>

#### 10. Gift aid

	2019 £'000	2018 £'000
Great Places Housing Association	870	598
	<b>870</b>	<b>598</b>

A gift aid payment was made on 25 March 2019 in accordance with s339 (7AA) of the Income and Corporation Taxes Act 1988 to Great Places Housing Association of £870k (2018: £598k) in respect of the year ended 31 March 2019. For the purposes of s338 of the Income and Corporation Taxes Act 1988, the Association deemed this to be a charge on income in the accounting period ended 31 March 2019 thereby reducing its liability to corporation tax for that year to £7k (2018: £21k).

#### 11. Directors and members

The directors of the Association are the members of the Board including the senior executive officer. The senior executive officer who served during the year was an employee of Great Places Housing Group Limited ("Group") and there were no emoluments paid to him by Plumlife Homes Limited. The senior executive officer's emoluments are disclosed in the Group accounts. No emoluments were paid by Plumlife Homes Limited to members of the Board during the year (2018: £Nil).

## **12. Tangible fixed assets – housing properties**

### **Policies**

#### **Housing properties**

Housing properties are principally properties which are available for rent and are stated at cost less depreciation and impairment. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

#### **Shared ownership properties and staircasing**

Under low cost home ownership arrangements, the Association disposes of a long lease on low cost home ownership units for a share ranging between 35% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. The remaining element, is classed as Property, Plant and Equipment and included in completed housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

#### **Donated land**

Land donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation and an amount equivalent to the increase in value between market value and cost is added to other grants and recognised in the balance sheet as a liability. Where the donation is from a non-public source, the value of the donation is included as income.

#### **Depreciation of housing properties**

Freehold land is not depreciated. Depreciation of buildings is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost, at a rate of 1% - 2% per annum.

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

#### **Impairment**

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed to see if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the Association. Any such write down is charged before arriving at operating surplus.

**PLUMLIFE HOMES LIMITED**

**Year ended 31 March 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**12 - Tangible fixed assets – housing properties (continued)**

	<b>Shared ownership properties £'000</b>	
<b>Cost</b>		
As at 1 April 2018	3,159	
Disposals	(135)	
As at 31 March 2019	<u><b>3,024</b></u>	
<b>Depreciation and impairment</b>		
As at 1 April 2018	484	
Charged in year	26	
Released on disposal	(24)	
As at 31 March 2019	<u><b>486</b></u>	
<b>Net book value as at 31 March 2019</b>	<u><b>2,538</b></u>	
Net book value as at 31 March 2018	<u>2,675</u>	
<b>Housing properties book value, net of depreciation</b>		
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Freehold land and buildings	2,005	2,120
Long leasehold land and buildings	533	555
	<u><b>2,538</b></u>	<u><b>2,675</b></u>

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 13. Debtors

##### Policy

##### Debtors

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

##### Recoverable amount of rental and other trade receivables

The Association estimates the recoverable amount of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

##### Rent and service charge agreements

The Association has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate. The association has reviewed its social housing rent arrears where a formal repayment schedule is in place and has determined that the net book value adjustment for these arrangements are not material so no adjustment has been made for these other than any bad debt provision provided.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Rent and service charges receivable	195	204
Provision for bad and doubtful debts	(74)	(56)
	<hr/> 121	<hr/> 148
Due from group undertakings	1	-
Other debtors	357	393
	<hr/> <b>479</b>	<hr/> <b>541</b>



## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 14. Creditors: amounts falling due within one year

##### Policies

##### Creditors

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

##### Service charge sinking funds

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

##### Government grants

Grant received in relation to housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the assets for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where social housing grant ("SHG") funded property is sold, the grant become recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the statement of comprehensive income. Grants due from government organisations or received in advance are included as current assets or liabilities.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 16)	5	6
Trade creditors	16	45
Rent and service charges received in advance	119	118
Amounts owed to group undertakings	442	185
Leaseholder sinking funds	2,627	2,755
Corporation tax	7	21
Taxation and social security	4	-
Other creditors	461	23
Deferred capital grant (note 17)	21	21
Accruals and deferred income	197	231
	<b>3,899</b>	<b>3,405</b>

Included within creditors is £2,627k (2018: £2,755k) which is specifically held in trust for leaseholders to cover anticipated future expenditure in relation to their sinking fund liabilities.

**PLUMLIFE HOMES LIMITED**

Year ended 31 March 2019

**NOTES TO THE FINANCIAL STATEMENTS****15. Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 16)	67	73
Deferred capital grant (note 17)	1,676	1,762
	<b>1,743</b>	<b>1,835</b>

**16. Debt analysis**

Loans are repayable at fixed rates of interest in instalments. Interest rates on the loans range between 9.625% - 12.25%. Housing loans are secured by specific charges on the Association's housing properties.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less or on demand	5	6
In more than one year, but not more than two years	5	5
In more than two years, but not more than five years	19	18
In more than five years	43	50
	<b>72</b>	<b>79</b>

**17. Deferred capital grant**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	1,783	1,829
Grants disposed in the year	(89)	(31)
Grants disposed in the year (previously amortised)	24	6
Grants amortised in the year	(21)	(21)
<b>At the end of the year</b>	<b>1,697</b>	<b>1,783</b>

**Of which:**

Due within one year	21	21
Due greater than one year	1,676	1,762
	<b>1,697</b>	<b>1,783</b>

**Social housing grant**

Total accumulated social housing grant received or receivable at 31 March:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Capital grant	2,077	2,163
Revenue grant	2,505	2,419
	<b>4,582</b>	<b>4,582</b>

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 18. Recycled capital grant fund

##### Policy

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

	2019	2018
	£'000	£'000
At the beginning of the year	-	-
Grants recycled	89	31
Interest accrued	-	-
Transferred to other group companies	(89)	(31)
<b>At the end of the year</b>	<b>-</b>	<b>-</b>

#### 19. Financial instruments

##### Policy

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Association has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historic cost. Loans that are payable within one year are not discounted.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the income statement. At each year end, the instruments are revalued to fair value, with the movements posted to the income statement (unless hedge accounting is applied). The Association's financial instruments may be analysed as follows:

	2019	2018
	£'000	£'000
<b>Financial assets measured at historical cost:</b>		
- Other receivables	479	541
- Cash and cash equivalents	5,172	4,441
<b>Total financial assets</b>	<b>5,651</b>	<b>4,982</b>
<b>Financial liabilities measured at historical cost:</b>		
- Loans payable	72	79
- Trade creditors	16	45
- Other creditors	5,554	5,116
<b>Total financial liabilities</b>	<b>5,642</b>	<b>5,240</b>

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

## 20. Employees and pensions

### Policy

The Association participates in the Social Housing Pension Scheme ("SHPS") as part of the Great Places Housing Association scheme. It has not been possible to identify the share of underlying assets and liabilities belonging specifically to Plumlife, all assets and liabilities arising from the scheme are recognised in the accounts of Great Places Housing Association. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

The Association also participates in a defined contribution scheme operated by SHPS. Contributions payable under this scheme are charged in the statement of comprehensive income statement in the period to which they relate.

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

	2019	2018
	No	No
Housing, support and care	12	11
Administration	1	3
	<b>13</b>	<b>14</b>

Employee costs were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	296	306
Social security costs	28	28
Other pension costs	34	33
	<b>358</b>	<b>367</b>

## 21. Non-equity share capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

Shares in the Association issued to members are not transferable. Upon a shareholder ceasing to be a member, the share is forfeited and the value is credited to the revenue reserve.

	2019	2018
	£	£
<b>Shares of £1 each issued and fully paid</b>		
At the beginning of the year	9	9
Shares issued during the year	2	1
Shares surrendered during the year	(1)	(1)
At the end of the year	<b>10</b>	<b>9</b>

## PLUMLIFE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 22. Financial commitments

The Association has no capital commitments as at 31 March 2019 (31 March 2018: £nil).

#### 23. Contingent liabilities

The Association has no contingent liabilities at 31 March 2019 (31 March 2018: £nil).

#### 24. Related parties

The Association has intra-group transactions with Cube Homes Limited ("Cube"), a non-regulated entity within the Group.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Marketing services income	(304)	(282)
Accommodation management services	709	746
	<b>405</b>	<b>464</b>

#### 25. Accommodation in management

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

	<b>2019</b>	<b>2018</b>
	<b>No</b>	<b>No</b>
Low cost home ownership	118	132
<b>Total owned</b>	<b>118</b>	<b>132</b>
Accommodation managed for others		
- social housing	2,001	1,884
- non-social housing	1,472	1,286
<b>Total managed</b>	<b>3,591</b>	<b>3,302</b>

#### 26. Ultimate controlling party

The ultimate controlling party of the Association is Great Places Housing Group Limited, which is a company registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act. The consolidated accounts of Great Places Housing Group Limited can be obtained from Great Places Housing Group Limited, 2a Derwent Avenue, Manchester, M21 7QP, or via its website at [www.greatplaces.org.uk](http://www.greatplaces.org.uk).