

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 2020

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

REPORT OF THE BOARD

CONTENTS

	PAGE
Association Information	3
Report of the Board	4
Independent Auditors' Report to the Members of Plumlife Homes Limited	7
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Reserves	12
Notes to the Financial Statements	13

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

REPORT OF THE BOARD

ASSOCIATION INFORMATION

Board

Chair	A. Davison
Deputy Chair	J. Rayner
Other Members	C. Amyes
	C. Cashman
	J. Fitzgerald
	J. Green
	M. Hanson
	M. Harrison
	M. Jones (from 1 April 2020)
	B. Nevin
	G. Page (from 1 April 2020)
	D. Robinson
	S. Young (to 19 September 2019)

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
Transitional Managing Director - Equity Region	A. Oldale (from 1 April 2020)

Registered office: 2a Derwent Avenue
Manchester
M21 7QP

Website: www.greatplaces.org.uk
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 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Bankers:

The Royal Bank of Scotland plc
St Ann's Street
St Ann's Square
Manchester
M60 2SS

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

REPORT OF THE BOARD

The Board presents its report and the audited financial statements for the year ended 31 March 2020.

Principal activities

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

Business review

The surplus after tax for the year ended 31 March 2020 was £918k (2019: £1,000k). At the year-end revenue reserves amounted to £2,714k (2019: £2,547k).

Staircasing (sale of equity tranches in properties) sales activity has continued to be steady with 5 staircasings taking place, yielding a net gain on disposal of £183k (2019: £305k).

In respect of the year ended 31 March 2020 a gift aid payment of £750k (2019: £870k) was made on 24 March 2020 to Great Places Housing Association ("GPHA").

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. Due to the impact of Covid 19 the Association has taken the decision to pay all suppliers weekly as soon as invoices are authorised.

Donations

During the year ended 31 March 2020 the Association made no political contributions and any charitable donations were made during the course of its ordinary activities (2019: nil).

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 that have served during the period from 1 April 2019 up to the date these statements have been signed are set out on page 3 of these financial statements. Insurance policies indemnify the Board members and officers against liability when acting for the Association and wider Group.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

REPORT OF THE BOARD

Internal Control and risk management

The Association's internal control and risk management is undertaken as part of the Group which are detailed in the group financial statements and are available at <https://www.greatplaces.org.uk/about-us>.

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

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. In particular, assurance is provided by the Company's latest Business Plan including sensitivity analyses and stress testing (approved April 2020) which demonstrates that the Company has sufficient funding facilities in place that will meet planned development and other expenditure and that it is fully able to service its debt facilities.

After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due.

Therefore the Board continues to adopt the going concern basis in the financial statements.

Annual general meeting (AGM)

The AGM will be held on 17 September 2020.

External auditors

A resolution to re-appoint BDO LLP will be proposed at the AGM on 17 September 2020.

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).

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

REPORT OF THE BOARD

- 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 23 July 2020 and signed on its behalf by:



P. Elvy

Company Secretary

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

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 2020 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 2020 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 Report of the Board 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 2020

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;
- A satisfactory system of control has not been maintained over transactions;
- 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 5, 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. This description forms part of our auditor's report.

Use of our report

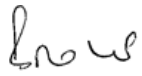
This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are 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 2020

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

6 August 2020

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 £'000	2019 £'000
Turnover	4	4,370	4,130
Operating costs	4	(3,621)	(3,445)
Surplus on sale of fixed assets – housing properties	5	183	305
Operating surplus	6	932	990
Interest receivable	7	25	25
Interest and financing costs	8	(8)	(8)
Surplus on ordinary activities before taxation		949	1,007
Tax on surplus on ordinary activities	9	(31)	(7)
Surplus for the year and total comprehensive income		918	1,000

All amounts relate to continuing activities.

The accompanying notes on pages 13 to 27 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 23 July 2020 and signed on its behalf by:



Board member
A. Davison



Board member
J. Rayner



Secretary
P. Elvy

PLUMLIFE HOMES LIMITED
Year ended 31 March 2020
STATEMENT OF FINANCIAL POSITION

	Note	2020 £'000	2019 £'000
Tangible fixed assets			
Housing properties at cost	12	2,928	3,024
Depreciation	12	(502)	(486)
		<u>2,426</u>	<u>2,538</u>
Current assets			
Debtors	13	1,494	479
Cash at bank and in hand		4,141	5,172
		<u>5,635</u>	<u>5,651</u>
Creditors: Amounts falling due within one year	14	(3,680)	(3,899)
		<u>1,955</u>	<u>1,752</u>
Net current assets			
		<u>4,381</u>	<u>4,290</u>
Total assets less current liabilities			
Creditors: Amounts falling due after one year			
Deferred capital grant due after more than one year	15	(1,605)	(1,676)
Other creditors falling due after more than one year	15	(61)	(67)
Net assets		<u>2,715</u>	<u>2,547</u>
Capital and reserves			
Non-equity share capital	21	-	-
Revenue reserves		2,715	2,547
Association's funds		<u>2,715</u>	<u>2,547</u>

The accompanying notes on pages 13 to 27 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 23 July 2020 and signed on its behalf by:



Board member
A. Davison



Board member
J. Rayner



Secretary
P. Elvy

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

STATEMENT OF CHANGES IN RESERVES

	Share capital	Revenue reserve	Total
	£'000	£'000	£'000
As at 1 April 2019	0	2,547	2,547
Surplus for the year and total comprehensive income	-	918	918
Gift aid payment	-	(750)	(750)
Movement in share capital	-	-	-
As at 31 March 2020	0	2,715	2,715

	Share capital	Revenue reserve	Total
	£'000	£'000	£'000
As at 1 April 2018	0	2,417	2,417
Surplus for the year and total comprehensive income	-	1,000	1,000
Gift aid payment	-	(870)	(870)
Movement in share capital	-	-	-
As at 31 March 2019	0	2,547	2,547

The accompanying notes on pages 13 to 27 form part of these financial statements.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

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

The principal accounting policies are detailed below and they have all been applied consistently throughout the year.

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 the Association 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 the Group Limited as at 31 March 2020 and these financial statements and are available at <https://www.greatplaces.org.uk/about-us>.

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.

Turnover

Income is measured at the fair value of the consideration received or receivable. The Association generates the following material income streams: Management fees from managing properties on behalf of others; Rental income receivable (after deducting lost rent from void properties available for letting); Service charge receivable; and other marketing and letting activities.

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 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.

2. Accounting policies (continued)

Going concern

The Association's latest Business Plan including sensitivity analyses and stress testing was approved in April 2020. After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due for a period of at least 12 months from the approval of these financial statements. The company carries out a significant amount of its trading activity within the wider Great Places Housing Group and forms an important part of the ongoing group strategy. The Board are satisfied that Great Places Housing Group has sufficient funding facilities in place that will meet planned development and other expenditure over the next two and a half years and that it is fully able to service its debt facilities whilst continuing to comply with all its funders' covenants.

Therefore the Board continues to adopt the going concern basis in the financial statements.

Tax

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.

Value Added Tax (VAT)

The Association is VAT registered as part of the 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.

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

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting policies (continued)

Interest

Interest receivable and payable is recorded in the Statement of Comprehensive Income in the year.

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.

2. Accounting policies (continued)

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.

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.

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.

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”.

2. Accounting policies (continued)

Financial instruments

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.

Pensions

The Association participates in the Social Housing Pension Scheme ("SHPS") as part of the GPHA scheme. It has not been possible to identify the share of underlying assets and liabilities belonging specifically to the Association, all assets and liabilities arising from the scheme are recognised in the accounts of GPHA. 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.

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.
- The amount of rental 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.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

4 - Particulars of turnover, cost of sales, operating costs and operating surplus

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

	Turnover	Operating costs	2020 Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 4 B)	938	(652)	286
Other social housing activities			
Managed properties	2,589	(2,218)	371
Marketing income	737	(668)	69
Other	78	(54)	24
	3,404	(2,940)	464
Non-social housing activities			
Commercial property income	28	(29)	(1)
	4,370	(3,621)	749
Surplus on sale of fixed assets (note 5)			183
			932
			2019
	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 4 B)	1,022	(586)	436
Other social housing activities			
Managed properties	2,275	(1,973)	302
Marketing income	728	(865)	(137)
Other	36	(8)	28
	3,039	(2,846)	193
Non-social housing activities			
Commercial property income	69	(13)	56
	4,130	(3,445)	685
Surplus on disposal of fixed assets (note 5)			305
			990

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS**4 - Particulars of turnover, cost of sales, operating costs and operating surplus (continued)****4 (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 £'000	Shared ownership £'000	Total 2020 £'000	Total 2019 £'000
Rent receivable net of identifiable service charges	428	234	662	801
Service charge income	68	156	224	175
Amortisation of government grants	-	20	20	21
Other income	2	30	32	25
Turnover from social housing lettings	498	440	938	1,022
Management	158	169	327	272
Services charge costs	111	157	268	242
Routine maintenance	22	(1)	21	33
Bad debts	13	(2)	11	13
Depreciation of housing properties	-	25	25	26
Operating expenditure on social housing lettings	304	348	652	586
Operating surplus on social housing lettings	194	92	286	436
Void losses	3	-	3	6

5. Surplus on sale of fixed assets – housing properties

	2020 £'000	2019 £'000
Disposal proceeds (net of costs)	299	448
Carrying value of fixed assets	(53)	(54)
	246	394
Capital grant recycled (note 18)	(63)	(89)
	183	305

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

6. Operating surplus

This is arrived at after charging:

	2020	2019
	£'000	£'000
Depreciation of housing properties	25	26
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	6	6
-for other services relating to taxation	2	3

7. Interest receivable and other income

	2020	2019
	£'000	£'000
Interest receivable and similar income	25	25
	25	25

8. Interest payable and financing costs

	2020	2019
	£'000	£'000
Loans and bank overdrafts	8	8
	8	8

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

9. Tax on surplus on ordinary activities

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax charge for year	38	7
Adjustments in respect of prior years	(7)	-
UK corporation tax charge for year	31	7
Tax reconciliations		
Surplus on ordinary activities before tax	949	1,007
Gift aid payment not subject to tax	(750)	(870)
Profit subject to tax	199	137
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019: 19%)	38	26
Effects of:		
Expenses not deductible for tax purposes	-	(19)
Adjustments to tax charge in respect of previous periods	(7)	-
Total tax charge	31	7

10. Gift aid

	2020	2019
	£'000	£'000
Great Places Housing Association	750	870
	750	870

For the purposes of s338 of the Income and Corporation Taxes Act 1988, the Association deemed Gift aid 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 £31k (2019: £7k).

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 the Group and there were no emoluments paid to him by the Association. The senior executive officer's emoluments are disclosed in the Group accounts. No emoluments were paid by the Association to members of the Board during the year (2019: £nil).

12. Tangible fixed assets – housing properties

	Shared ownership properties £'000
Cost	
As at 1 April 2019	3,024
Additions	-
Disposals	(96)
As at 31 March 2020	<u>2,928</u>
Depreciation and impairment	
As at 1 April 2019	486
Charged in year	25
Released on disposal	(9)
As at 31 March 2020	<u>502</u>
Net book value as at 31 March 2020	<u>2,426</u>
Net book value as at 31 March 2019	<u>2,538</u>

Housing properties book value, net of depreciation

	2020 £'000	2019 £'000
Freehold land and buildings	1,926	2,005
Long leasehold land and buildings	500	533
	<u>2,426</u>	<u>2,538</u>

13. Debtors

	2020 £'000	2019 £'000
Rent and service charges receivable	230	195
Provision for bad and doubtful debts	(83)	(74)
	<u>147</u>	<u>121</u>
Due from group undertakings	799	1
Trade debtors	97	12
Other debtors	437	344
Prepayments and accrued income	14	1
	<u>1,494</u>	<u>479</u>

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

14. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Debt (note 16)	5	5
Trade creditors	60	16
Rent and service charges received in advance	144	119
Amounts owed to group undertakings	-	442
Leaseholder sinking funds	2,912	2,627
Corporation tax	33	7
Taxation and social security	13	4
Other creditors	304	461
Deferred capital grant (note 17)	20	21
Accruals and deferred income	189	197
	3,680	3,899

Leaseholder sinking funds are specifically held in trust for leaseholders to cover anticipated future expenditure in relation to their sinking fund liabilities.

15. Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Debt (note 16)	61	67
Deferred capital grant (note 17)	1,605	1,676
	1,666	1,743

16. Debt

a) 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.

	2020	2019
	£'000	£'000
In one year or less or on demand	5	5
In more than one year, but not more than two years	6	5
In more than two years, but not more than five years	19	19
In more than five years	36	43
	66	72

16. Debt (continued)

b) Statement of net debt

	2020	2019
	£'000	£'000
Cash and cash equivalents	4,141	5,172
Debt	(66)	(72)
Negative net debt	4,075	5,100

Reconciliation of net debt

	2020	2019
	£'000	£'000
Net debt at beginning of year	5,100	4,362
(Decrease)/increase in cash and bank overdrafts	(1,031)	731
Repayment of existing debt	6	7
Negative net debt	4,075	5,100

17. Deferred capital grant

	2020	2019
	£'000	£'000
Total grant at start of period	2,074	2,163
Grants recycled in the year	(63)	(89)
Grants disposed in the year	(1)	-
Total grant at end of period	2,010	2,074

Total amortisation at start of period	(377)	(380)
Released to income in the period - social housing	(20)	(21)
Released on disposal	12	24
Total amortisation at end of period	(385)	(377)

Net book value at end of period	1,625	1,697
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Net book value at start of period	1,697	1,783
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Of which:

Due within one year	20	21
Due greater than one year	1,605	1,676
	1,625	1,697

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS**18. Recycled capital grant fund**

	2020	2019
	£'000	£'000
At the beginning of the year	-	-
Grants recycled	63	89
Transferred to other group companies	(63)	(89)
At the end of the year	-	-

19. Financial instruments

	2020	2019
	£'000	£'000
Financial assets		
Financial assets measured at historical cost:		
- Trade receivables	97	12
- Other receivables	1,397	467
- Cash and cash equivalents	4,141	5,172
Total financial assets	5,635	5,651

	2020	2019
	£'000	£'000
Financial liabilities measured at historical cost:		
- Loans payable	66	72
- Trade creditors	60	16
- Other creditors	5,220	5,554
Total financial liabilities	5,346	5,642

20. Employees

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

	2020	2019
	No	No
Housing, support and care	13	12
Administration	-	1
	13	13

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

20. Employees (continued)

The total cost of employees is as follows:

	2020	2019
	£'000	£'000
Wages and salaries	398	296
Social security costs	35	28
Other pension costs	16	34
	449	358

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.

	2020	2019
	£	£
Shares of £1 each issued and fully paid		
At the beginning of the year	9	9
Shares issued during the year	-	-
Shares surrendered during the year	-	-
At the end of the year	9	9

22. Financial commitments

The Association has no capital commitments as at 31 March 2020 (31 March 2019: £nil).

23. Related parties

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

	2020	2019
	£'000	£'000
Marketing services income	(315)	(304)
Accommodation management services	769	709
	454	405

At the 31 March 2020 the Association owed Cube £66k (2019: £81k) and was owed £76k (2019: £11k) by Cube.

PLUMLIFE HOMES LIMITED

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS

24. Accommodation in management

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

	Managed not owned	Owned and Managed	2020 Total Owned and Managed	2019 Total Owned and Managed
General Needs - social rent	101	-	101	104
Low Cost Home Ownership	1,295	113	1,408	1,380
Intermediate Rent	116	-	116	124
Non Social Rented	158	-	158	113
Social Leased	401	174	575	511
Non Social Leased	1,417	-	1,417	1,359
Total	3,488	287	3,775	3,591

	General Needs	Shared Ownership	Intermedia te rent	Other	Total
Opening unit numbers	104	1,380	124	1,983	3,591
New stock into management	-	97	-	174	271
Management contracts ended	-	(68)	(6)	(1)	(75)
Sales to tenants freehold	-	(2)	-	-	(2)
Sales to tenants leasehold	-	(3)	-	(7)	(10)
Transfers	(3)	4	(2)	1	-
Net change in stock	(3)	28	(8)	167	184
Closing unit numbers	101	1,408	116	2,150	3,775

The 2019 unit numbers have been restated to match the definitions used by the Regulator of Social Housing in their FVA and Statistical Data Returns.

25. 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.