

Co-operative and Community Benefit Society (FCA) No 19564R  
Regulator of Social Housing No L1230

# Great Places Housing Association Report and Financial Statements For the year ended 31 March 2024

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

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## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### ASSOCIATION INFORMATION

#### Board Members at 31 March 2024

M. Jones	Chair	Board member for full year and appointed Chair 1 January 2024
C. Amyes	Deputy Chair	Also Chair of Remuneration and Appraisal Committee
M. Harrison	Executive Board Member	Resigned 30 June 2024
G. Page	Board Member	Also Chair of Audit and Assurance Committee
S. Palmer	Board Member	
P. Ricketts	Board Member	Board member for full year and appointed Chair of Customer Cttee* 14 March 2024
E. Mountford	Board Member	Appointed to Group Board on 1 November 2023, Cube Board member for full year and appointed Chair of Cube Board from 21 September 2023
M. Hemmings	Board Member	Appointed 14 March 2024
S. Sojn	Board Member	Appointed 14 March 2024
N. Clegg	Board Member	Appointed 14 March 2024

\*Customer Committee established 14th March 2024

#### Board Members since 1 April 2024

K. Ward	Board Member	Appointed 1 April 2024
A. Dean	Executive Board Member	Appointed 1 July 2024

#### Board Members resigned during the year

A. Davison	Chair	Resigned 31 December 2023
N. Ruhi-Khan	Board Member	Resigned 30 September 2023
D. Robinson	Board Member	Resigned 21 September 2023. Also resigned as Chair of Cube Board 21 September 2023

#### Executive Directors at 31 March 2024

M. Harrison	Chief Executive	Resigned 30 June 2024
A. Dean	Deputy Chief Executive and Executive Director of People & Culture	Chief Executive from 1 July 2024
M. Gerrard	Chief Financial Officer	Appointed 13 November 2023
G. Cresswell	Executive Director of Customer Services	
H. Spencer	Executive Director of Growth	

#### Executive Directors since 1 April 2024

S. Mather	Chief Property Officer	Appointed 13 May 2024
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#### Executive Directors resigned during the year

P. Elvy	Executive Director of Finance	Resigned 15 March 2024
P. Bojar	Executive Director of Sustainable Assets and Repairs	Resigned 30 June 2023

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### ASSOCIATION INFORMATION (continued)

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

**Website:** [www.greatplaces.org.uk](http://www.greatplaces.org.uk)

**Registered Numbers:** Regulator of Social Housing No: L1230  
Co-operative and Community Benefit Society No: 19564R

**External Auditors:**  
Beever and Struthers  
One Express  
1 George Leigh St  
Ancoats  
Manchester  
M4 5DL

**Internal Auditors:**  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

**Bankers:**  
The Royal Bank of Scotland plc  
Parklands  
3 De Havilland Way  
Bolton  
BL6 4YU

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **REPORT OF THE BOARD**

The Board of Great Places Housing Group Limited (“GPHG” or “the Group”), (“the Board”), presents its report and the audited financial statements for the year ended 31 March 2024. A fuller review of Great Places Housing Association (“GPHA” or “the Association”) is included within the strategic report of its parent GPHG.

#### **Principal activities**

The Association’s principal activities include the development and management of social housing properties for the Group.

#### **Business review**

The surplus after tax for the year ended 31 March 2024 was £22,888k (2023: £21,565k), the increase in surplus over the prior year is largely generated by growth in the number of properties, first tranche sales and an increase in interest receivable. At the year-end reserves amounted to £234,334k (2023: £212,889k). The total comprehensive income for the year ended 31 March 2024 was £21,445k (2023: £40,176k). This includes actuarial losses on the defined benefit pension schemes of £3,917k (2023: losses of £1,640k) and a gain on the movement in fair value of interest rate swap financial instruments of £2,474k (2023: gain of £20,251k), both of which are recognised in other comprehensive income.

In respect of the year ended 31 March 2024, a gift aid payment of £400k was made by Plumlife Homes Limited (“Plumlife”) (2023: Nil). No gift aid payment was made by Cube Homes Limited (“Cube”) (2023: £3,750k relating to years 21/22 and 22/23). No gift aid was paid by Terra Nova Developments Limited (“Terra Nova”) in the year (2023: nil).

#### **Housing property assets**

Details of changes to the Association’s property assets are shown in note 12 of the financial statements, tangible fixed assets – housing properties.

#### **Donations**

During the year ended 31 March 2024 the Association made no political contributions, and any charitable donations were made during the course of its ordinary activities.

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

The Association has and continually reviews 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 2024 are set out **Error! Bookmark not defined.** of these financial statements as well as details of all the members and directors that have served during the period from 1 April 2023 up to the date these statements have been signed.

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

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **REPORT OF THE BOARD (continued)**

#### **Internal control and risk management**

The Association's internal control and risk management is undertaken as part of Great Places Housing Group which is detailed in the financial statements 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 Association 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 Association's latest business plan including sensitivity analyses and stress testing which demonstrates that the Association has sufficient funding facilities in place that will meet committed development and other expenditure and that it is fully able to service its debt facilities.

After a thorough going concern review of all assets, liabilities and commitments, and taking into account the resulting inherent cash risk in property sales, including forecasts and projections, the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due.

The Board has provided a letter of support to its subsidiary Terra Nova Developments Limited which reflects the financial support for the subsidiary within the context of a Board approved business plan.

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

#### **Annual general meeting (AGM)**

The AGM will be held on 26 September 2024.

#### **External auditors**

We intend to propose the re-appointment of Beaver and Struthers as external auditors at the AGM on 26 September 2024.

#### **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**

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;

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **REPORT OF THE BOARD (continued)**

- 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 1 August 2024 and signed on its behalf by:



**J. McLean**

**Company Secretary**

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING ASSOCIATION**

#### **Opinion**

We have audited the financial statements of Great Places Housing Association Limited ('the Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the 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 FRS 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 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

#### **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**

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

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

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

#### **Other information**

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 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



## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING ASSOCIATION (Continued)**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with books of account; 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 Board's Responsibilities set out on pages 6 to 7, 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 determines 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 is 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 intends to liquidate the Association or to cease operations, or has 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 web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING ASSOCIATION  
(Continued)**

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the NHF Code of Governance 2020, the Regulatory Standards, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

**GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT PLACES HOUSING ASSOCIATION  
(Continued)**

**Use of our report**

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

Beever and Struthers  
Statutory Auditor  
One Express  
1 George Leigh Street  
Ancoats  
Manchester  
M4 5DL

Date: 8 August 2024

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## STATEMENT OF COMPREHENSIVE INCOME

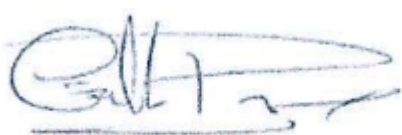
		2024	2023
	Note	£'000	£'000
Turnover	4	168,497	154,008
Operating costs	4	(103,548)	(98,379)
Cost of sales	4	(22,432)	(19,418)
Surplus on sale of fixed assets	5	3,615	6,242
<b>Operating surplus</b>	6	<b>46,132</b>	<b>42,453</b>
Interest receivable	7	4,370	2,612
Interest payable and financing costs	8	(28,116)	(27,305)
Gift Aid	10	400	3,750
Movement in fair value of investment properties	13	102	55
<b>Surplus on ordinary activities before taxation</b>		<b>22,888</b>	<b>21,565</b>
Tax on surplus on ordinary activities	9	-	-
<b>Surplus for the financial year</b>		<b>22,888</b>	<b>21,565</b>
Actuarial (losses) on defined benefit pension schemes	27	(3,917)	(1,640)
Movement in fair value of hedged financial instruments	8	2,474	20,251
<b>Other comprehensive income</b>		<b>(1,443)</b>	<b>18,611</b>
<b>Total comprehensive income for the year</b>		<b>21,445</b>	<b>40,176</b>

All amounts relate to continuing activities.

The accompanying notes on pages 15 to 46 form part of these financial statements.



M. Jones  
Chair of the Board



G. Page  
Board Member



J. McLean  
Company Secretary

# GREAT PLACES HOUSING ASSOCIATION

As at 31 March 2024

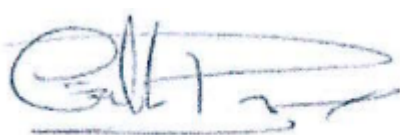
## STATEMENT OF FINANCIAL POSITION

	Note	2024 £'000	2023 £'000
<b>Tangible fixed assets</b>			
Housing properties	12	1,574,453	1,436,556
Investment properties	13	17,232	17,130
Other tangible fixed assets	14	13,016	13,145
		<b>1,604,701</b>	<b>1,466,831</b>
<b>Fixed asset investments</b>			
Homebuy loans	15	5,275	5,395
Fixed asset investments	16	461	461
<b>Total fixed asset investments</b>		<b>5,736</b>	<b>5,856</b>
<b>Total fixed assets</b>		<b>1,610,437</b>	<b>1,472,687</b>
<b>Debtors:</b> Amounts falling due after one year	18	25,423	15,602
<b>Current assets</b>			
Stock and work in progress	17	41,779	26,456
Debtors	18	65,500	33,165
Investments	19	8,743	8,214
Cash and cash equivalents		37,505	92,746
		153,527	160,581
<b>Creditors:</b> Amounts falling due within one year	21	(155,227)	(116,577)
<b>Net current (liabilities)/assets</b>		<b>(1,700)</b>	<b>44,004</b>
<b>Total assets less current liabilities</b>		<b>1,634,160</b>	<b>1,532,293</b>
<b>Creditors:</b>			
Creditors falling due after more than one year	22	(1,386,930)	(1,307,764)
Pension liability	27	(12,896)	(11,640)
<b>Net assets</b>		<b>234,334</b>	<b>212,889</b>
<b>Capital and reserves</b>			
Share capital (non-equity)	29	-	-
Income and expenditure reserve		234,780	215,906
Revaluation reserve		4,898	4,784
Designated reserve		65	82
Cash flow hedge reserve		(5,409)	(7,883)
<b>Association's funds</b>		<b>234,334</b>	<b>212,889</b>

The accompanying notes on pages 15 to 46 form part of these financial statements. The financial statements were authorised for issue and approved by the Board on 1 August 2024 and signed on its behalf by:



M. Jones  
Chair of the Board



G. Page  
Board Member



J. McLean  
Company Secretary

**GREAT PLACES HOUSING ASSOCIATION**

Year ended 31 March 2024

**STATEMENT OF CHANGES IN RESERVES**

	Cash flow hedge reserve £'000	Revaluation reserve £'000	Designated reserve £'000	Income and expenditure reserve £'000	Total £'000
As at 1 April 2022	(28,134)	4,729	104	196,014	172,713
Surplus for the year	-	-	-	21,565	21,565
Actuarial losses on defined benefit pension scheme (note 27)	-	-	-	(1,640)	(1,640)
Movement in fair value of hedged financial instruments	20,251	-	-	-	20,251
Interest credited from income and expenditure reserve	-	-	(2)	2	-
Transfers	-	55	(20)	(35)	-
<b>As at 31 March 2023</b>	<b>(7,883)</b>	<b>4,784</b>	<b>82</b>	<b>215,906</b>	<b>212,889</b>
Surplus for the year	-	-	-	22,888	22,888
Actuarial gains on defined benefit pension scheme	-	-	-	(3,917)	(3,917)
Movement in fair value of hedged financial instruments	2,474	-	-	-	2,474
Interest credited from income and expenditure reserve	-	-	5	(5)	-
Transfers	-	114	(22)	(92)	-
<b>As at 31 March 2024</b>	<b>(5,409)</b>	<b>4,898</b>	<b>65</b>	<b>234,780</b>	<b>234,334</b>

The accompanying notes on pages 15 to 46 form part of these financial statements.

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## 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 on a going concern basis in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Great Places Housing 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 2022.

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS 102 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 2024 and these financial statements 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.

#### Going concern

The Association’s latest business plan demonstrates that the Group 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 of 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.

The Association is able to mitigate a worst case scenario and avoid a covenant breach by managing the timing of development and repairs expenditure, among other mitigating actions.

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

## **2. Accounting policies (continued)**

### **Going Concern (continued)**

The Board has provided a letter of support to its subsidiary Terra Nova Developments Limited which reflects the financial support for the subsidiary within the context of a Board approved business plan.

The Board has a reasonable expectation that the Group 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. Therefore the Board continues to adopt the going concern basis in the financial statements.

### **Income**

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);
- Sale of first tranche Low Cost Home Ownership and other housing properties developed for sale;
- Service charge receivable;
- Housing First;
- Supply of materials to third parties; and
- Revenue grants and amortisation of capital grants.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from first tranche sales, properties built for sale and proceeds from the sale of land or property are recognised at completion of the sale.

### **Rent and service charge agreements**

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.

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.

### **Grants**

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income 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.

### **Interest payable**

Interest is capitalised on borrowings to finance developments up to the date of practical completion if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or



## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **2. Accounting policies (continued)**

##### **Interest payable (continued)**

b) interest on borrowings of the Association as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

##### **Interest receivable**

Interest receivable is credited to the Statement of Comprehensive Income in the year.

##### **Leased assets**

Where assets are financed by leasing agreements that give rights similar to ownership (finance leases), the assets are treated as if they have been purchased outright. The assets leased by the Association under finance leases are investment properties and are therefore accounted for under FRS 102 as investment properties. The corresponding leasing commitments are shown as amounts payable to the lessor.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. The annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

##### **Property managed by agents**

Where the Association carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the income and expenditure account of the Association.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates to the Association.

In both cases, where revenue grants are claimed by the Association, these are included as income in the Statement of Comprehensive Income to the extent that they are passed to the agent.

##### **Derivative instruments and hedge accounting**

The Association holds floating rate loans which expose the Association to interest rate risk. To mitigate against this risk the Association uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Association has designated each of the swaps against our approved business plan floating rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve.

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

GPHA is VAT registered as part of the GPHG 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.

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2. Accounting policies (continued)

#### Tangible fixed assets

##### 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.

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

##### 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 10% 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 (PPE) 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.

##### Depreciation of housing properties

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Structure	100 years	Heating systems*	15 - 25 years
Roofs	60 years	External doors	25 years
Bathrooms	25 years	Solar and photovoltaic panels	25 years
Windows	25 years	Kitchens	20 years
Lifts	25 years	Boilers	12 years
Electrical rewire**	25 years	Communal fire doors	20 Years

\* Where boilers were included within the heating system.

\*\* Not normally a component within Great Places but this has been a component where properties have transferred into the association.

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2. Accounting policies (continued)

#### Impairment

The housing property portfolio for the Association is assessed for indicators of impairment at each period end date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units (“CGUs”) for which impairment is indicated to their recoverable amounts. Initially the Association compares the fair value less costs to sell by reference to EUV-SH. If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a depreciated replacement cost (“DRC”) for each CGU.

The DRC will be based upon the lower of:

- the cost of constructing an equivalent asset on the same site together with the original land costs; or
- the cost of acquiring an equivalent asset on the open market.

The Association defines CGUs as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger generating units. Where the recoverable amount of an asset or CGU is lower than its carrying value, an impairment is recorded through the Statement of Comprehensive Income.

#### Stock swaps

Housing properties acquired from other social landlords in exchange for non-monetary assets, or a combination of monetary and non-monetary assets, are measured at fair value. Where there is government grant associated with housing properties acquired as part of the stock swap, the obligation to repay or recycle the grant transfers to the Association. The fair value of the properties is included within property, plant and equipment and accordingly no grant is disclosed within creditors. In the event of the housing properties being disposed, the Association is responsible for the recycling of the grant.

#### Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from either Market Value – Vacant Possession (“MV-VP”) or Market Value – Subject to Tenancies (“MV-ST”). The rental income of each property has been individually assessed and for certain properties it has been ascertained that in arriving at MV-ST no deduction from the prevailing MV-VP needs to be made. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

#### Other tangible fixed assets

Other fixed assets, other than investment properties, are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Freehold and leasehold office property	50 years
Office equipment, fixtures and fittings	4 to 25 years
ICT equipment	3 to 4 years
Software	4 to 5 years

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **2. Accounting policies (continued)**

##### **Capitalisation of overheads**

The salaries of colleagues who work on the component replacement programme are capitalised and depreciated over the life of the component. Salaries of the assets team are apportioned over the programmes completed within the year.

##### **Reserves**

The Association designates those reserves which have been set aside for uses which, in the judgement of the Directors, prevent them from being regarded as part of the free reserves of the Association. The only reserve which constitutes free reserves is the Income and Expenditure reserve. The Association has a reserve that is designated for use in the support, training and development of apprentice maintenance employees. The revaluation reserve is created from surpluses on the revaluation of investment properties held by the Association.

The Association has a cash flow hedge reserve which is used for the effective hedges that are in place for the stand alone interest rate swap agreements. Where an effective hedge is in place the fair value movement on the swap is recognised in the cash flow hedge reserve. Where there is no effective hedge it is recognised in the revenue reserve.

##### **Homebuy loans**

Homebuy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest and any impairment loss is recognised in the Statement of Comprehensive Income to the extent that it cannot be offset against the Homebuy grant. Grant relating to Homebuy equity is recognised as deferred income until the loan is redeemed and the grant becomes recyclable when the loans are repaid up to the amount of the original grant and to the extent that the proceeds permit. The Association is able to retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the property. If there is a fall in the value of the property the shortfall in proceeds is offset against the recycled grant.

##### **Investment in subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures are accounted for at cost less any accumulated impairment.

##### **Properties for sale**

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

##### **Materials stock**

Stock is stated at the lower of cost and net realisable value. Costs comprise parts and materials for use by our in-house repairs team for the repair and maintenance of our housing properties and stocks are valued at purchase price using the first in, first out method. Materials stock is held in the distribution centre and in the van fleet.

##### **Debtors and Creditors**

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

##### **Social housing grant receivable**

SHG due from Homes England is included as a current asset. SHG received in advance from Homes England is included as a current liability.

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **2. Accounting policies (continued)**

##### **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.

##### **Investments**

All investments held by the Association are classified as basic financial instruments in accordance with FRS 102. These instruments 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 Statement of Financial Position at historic cost. Investments that are receivable within one year are not discounted.

##### **Contingent liability**

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

##### **Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the period end date.

##### **Leaseholder sinking funds**

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

##### **Finance costs**

The cost of raising loan finance is initially capitalised and offset against the loan principal and is amortised to the Statement of Comprehensive Income on a straight line basis over the term of the loan.

##### **Government grants**

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Grant in relation to newly acquired or existing housing properties is accounted for using accruals model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the SORP the useful life of the housing property structure has been used and, where applicable, its individual components (excluding land).

Where social housing grant funded property is sold, the grant becomes 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.

Other government grant taken to income includes furlough payments received or receivable during the year. Grants due from government organisations or received in advance are included as current assets or liabilities.

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **2. Accounting policies (continued)**

##### **Recycled capital grants**

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 Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

##### **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 Statement of Financial Position 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 Statement of Comprehensive Income. At each year-end, the instruments are revalued to fair value, with the movements posted to the Statement of Comprehensive Income, unless hedge accounting is applied.

##### **Pensions**

The Association participates in three funded multi-employer defined benefit schemes, the Social Housing Pension Scheme ("SHPS"), and two Local Government Pension Schemes ("LGPS") one administered by the South Yorkshire Pension Authority ("SYPA") and the second administered by the Greater Manchester Pension Fund ("GMPF"). At 31 March 2024 there were over 800 active members of the SHPS scheme, three active members of the SYPA scheme and one active member of the GMPF scheme.

For these schemes, scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted as appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Association.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

The Association froze its defined benefits scheme operated by the Social Housing Pension Scheme at 31<sup>st</sup> March 2022. Contributions were payable for this deficit, as required by SHPS.

##### **Gift Aid**

The Boards of Cube, Terra Nova and Plumlife agree prior to year-end, and based on management accounts reports and the cash position an amount of their surplus / profit payable to GPHA. Dependant on whether GPHA is the parent organisation these funds will be paid over either prior to the 31<sup>st</sup> March or within nine months of the year-end as per the board decision.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The preparation of financial statements in compliance with requires the use of certain critical accounting estimates and judgements. The material areas of either estimation or judgement are set out below. Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events.

- 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.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.
- The anticipated costs to complete on a development scheme is based on anticipated construction cost, interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the director's best estimate of sales value based on economic conditions within the area of development.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties between current and fixed assets.
- Whether leases entered into by the Association either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- 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.
- Cash collateral held by third parties is reported under current asset investments. We believe this provides greater clarity to users of the financial statements by clearly differentiating investment related balances from other debtors.
- Interest rate derivatives (IRDs, or "swaps") are valued by the bank counterparties, based on their estimated value of their exposure on each agreement. Market rates change over time and the value of the IRD agreements will oscillate depending on the movement of interest rates and UK gilt yields, with exposure rising as rates fall and vice versa.
- The actuarial valuation of the two local government pensions schemes showed a £1,644k surplus (2023: £1,449k surplus) at the year-end. Due to the level of this that could be recoverable, no asset is shown in the accounts.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

##### Key sources of estimation uncertainty

###### Investment properties

Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers (refer to note 2). The fair value of the property held within these investments is estimated noting there is difficulty in predicting the outlook of the UK property market. A sensitivity analysis is provided for this below

	Change in assumption	Change in value (£'000)
Investment properties	Increase/decrease of 10%	1,723

###### Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

The following table shows the financial impact of changes in those useful economic lives.

Component	Change in assumption	Increase in annual charge (£'000)
Roof	Component life reduced from 60 to 50 years	136
Windows	Component life reduced from 25 to 20 years	376
Kitchen	Component life reduced from 20 to 15 years	982
Bathroom	Component life reduced from 25 to 20 years	342
Boiler	Component life reduced from 12 to 10 years	892

###### Pensions

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

	Change in Assumption	Change in Liabilities	Change in Liabilities (£'000)
Discount rate	Increase of 0.1% p.a.	Decrease by 1.6%	(1,077)
Rate of inflation	Increase of 0.1% p.a.	Increase by 1.5%	1,010
Rate of salary growth	Increase of 0.1% p.a.	Increase by 0.1%	67
Rate of mortality	Probability of surviving each year increased by 10%	Increase by 1.6%	1,077

###### Bad debt provision

Bad debts are provided for dependant on whether a customer is still a tenant and on the age of the debt. No changes were applied to these assumption this year. If a further 10% provision on our debts over £1k was applied this would see a change in value of £387k.



# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Where revenue grants are claimed by the Association, these are included as income in the Statement of Comprehensive Income and expenditure to the extent that they are passed to the agent.

				2024
	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>	<b>133,583</b>	-	<b>(92,575)</b>	<b>41,008</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	21,669	(18,607)	-	3,062
Housing First	3,629	(2,253)	(1,305)	71
Supporting people	2,054	-	(1,951)	103
Properties managed but owned by other organisations	1,072	-	(660)	412
Community/neighbourhood services	207	-	(1,762)	(1,555)
Materials supplied to third parties	1,576	(1,572)	-	4
Other social housing income	1,882	-	(391)	1,491
	<b>32,089</b>	<b>(22,432)</b>	<b>(6,069)</b>	<b>3,588</b>
<b>Non-social housing activities</b>				
Commercial property income	1,472	-	(623)	849
Impairment of investment properties	-	-	(12)	(12)
Other	1,353	-	(4,269)	(2,916)
	<b>2,825</b>	-	<b>(4,904)</b>	<b>(2,079)</b>
Surplus on disposal of fixed assets (note 5)				3,615
	<b>168,497</b>	<b>(22,432)</b>	<b>(103,548)</b>	<b>46,132</b>
				2023
	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>	<b>122,443</b>	-	<b>(90,401)</b>	<b>32,042</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	20,834	(17,687)	-	3,147
Housing First	3,426	(1,731)	(1,312)	383
Supporting people	1,938	-	(1,841)	97
Properties owned but managed by others	950	-	(701)	249
Community/neighbourhood services	220	-	(1,629)	(1,409)
Other social housing income	2,201	-	(1,847)	354
	<b>29,569</b>	<b>(19,418)</b>	<b>(7,330)</b>	<b>2,821</b>
<b>Non-social housing activities</b>				
Commercial property income	641	-	42	683
Other	1,355	-	(690)	665
	<b>1,996</b>	-	<b>(648)</b>	<b>1,348</b>
Surplus on disposal of fixed assets (note 5)				6,242
	<b>154,008</b>	<b>(19,418)</b>	<b>(98,379)</b>	<b>42,453</b>

# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	General needs housing	Supported housing*	Low cost home ownership	Key worker housing	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	89,463	11,395	8,717	321	109,896	98,875
Service charge income	4,542	6,915	3,149	-	14,606	11,467
Amortisation of government grants	3,831	699	626	-	5,156	6,524
Other income	1,845	999	1,081	-	3,925	5,577
<b>Turnover from social housing lettings</b>	<b>99,681</b>	<b>20,008</b>	<b>13,573</b>	<b>321</b>	<b>133,583</b>	<b>122,443</b>
Management	(30,411)	(1,218)	(1,701)	(55)	(33,385)	(28,621)
Service charge costs	(4,598)	(8,119)	(3,159)	(86)	(15,962)	(12,359)
Routine maintenance	(11,436)	(1,184)	(175)	(4)	(12,799)	(15,054)
Planned maintenance	(3,662)	(89)	(14)	-	(3,765)	(3,631)
Major repairs expenditure	(4,027)	(418)	(124)	-	(4,569)	(7,448)
Bad debts	(534)	(197)	37	1	(693)	(921)
Property lease charges	(74)	(11)	-	-	(85)	(103)
Depreciation of housing properties:						
-annual charge	(16,437)	(2,051)	(1,782)	(38)	(20,308)	(20,942)
-accelerated on disposal of components	(832)	-	-	-	(832)	(1,178)
Impairment of housing properties	-	-	-	-	-	-
Other costs	(175)	(1)	(1)	-	(177)	(144)
<b>Operating expenditure on social housing lettings</b>	<b>(72,186)</b>	<b>(13,288)</b>	<b>(6,919)</b>	<b>(182)</b>	<b>(92,575)</b>	<b>(90,401)</b>
<b>Operating surplus on social housing lettings</b>	<b>27,495</b>	<b>6,720</b>	<b>6,654</b>	<b>139</b>	<b>41,008</b>	<b>32,042</b>
<b>Void losses</b>	<b>(788)</b>	<b>(437)</b>	<b>(11)</b>	<b>(19)</b>	<b>(1,255)</b>	<b>(725)</b>

\* Supported Housing includes Housing for Older People

### 5. Surplus on sale of fixed assets

	Disposal proceeds	Carrying value of asset	Capital grant recycled	Total Surplus 2024	Total Surplus 2023
	£'000	£'000	£'000	£'000	£'000
Shared ownership	4,708	(2,429)	(735)	1,544	2,417
Other housing properties	4,129	(809)	(1,393)	1,927	3,577
Homebuy	265	(2)	(119)	144	248
Investment properties	-	-	-	0	-
<b>Total</b>	<b>9,102</b>	<b>(3,240)</b>	<b>(2,247)</b>	<b>3,615</b>	<b>6,242</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 6. Operating surplus

This is arrived at after charging:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of housing properties	20,308	20,942
Accelerated depreciation on component disposal	832	1,178
Depreciation of other tangible fixed assets	1,252	1,206
Amounts paid under operating leases:		
-Land and buildings	85	103
-Vehicles	1,335	881
Auditor's remuneration		
-for the audit of the financial statements	112	99
-for other services relating to taxation	17	30

#### 7. Interest receivable and other income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable	3,264	2,027
Interest receivable from group companies	1,106	585
	<b>4,370</b>	<b>2,612</b>

#### 8. Interest payable and financing costs

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Intra group loans	25,267	24,480
Loans and bank overdrafts	3,936	3,957
Net interest payable on pension liabilities	425	297
Finance leases	234	248
Payable on recycled grant	783	255
Arrangement fees amortised or written off	651	386
Other finance costs including non-utilisation fees and commitment fees	874	829
	32,170	30,452
Interest payable capitalised on housing properties under construction	(4,054)	(3,147)
	<b>28,116</b>	<b>27,305</b>
<b>Other financing costs through other comprehensive income</b>		
(Gain) on fair value of hedged derivative instruments	(2,474)	(20,251)
	<b>25,642</b>	<b>7,054</b>

Capitalised interest was charged at a rate of 4.67% (2023: 4.47%) payable, based on the weighted average cost of borrowing throughout the year.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 9. Taxation

The Association benefits from the exemptions from corporation tax afforded to charitable companies by Part 11, Corporation Tax Act 2010.

#### 10. Gift aid

	2024	2023
	£'000	£'000
Gift Aid from subsidiary undertakings	-	3,750
Gift Aid from other group undertakings	400	-
	<u>400</u>	<u>3,750</u>

#### 11. Directors and members

The non-executive directors of the Association and the Chief Executive are the members of the Board.

##### Executive directors

The executive directors include the Chief Executive and those officers who are executive directors and who report directly to the Chief Executive. Non-executive directors are board members.

	2024	2023
	£'000	£'000
Executive directors	1,198	1,161
Non-executive directors	86	97
	<u>1,284</u>	<u>1,258</u>

The highest paid executive officer who served during the year was the Chief Executive who was an employee of Great Places Housing Association Limited. Emoluments of the Chief Executive Officer who received emoluments, excluding pension contributions, totalling £223k (2023: £197k). The Chief Executive was an ordinary member of the Social Housing Pension Scheme. The scheme is a defined contribution salary sacrifice scheme funded by contributions from the employer and employee. A contribution of £20k (2023: £19k) was paid by the employer.

	2024	2023
	£'000	£'000
Emoluments excluding pensions	223	197
Pension contributions	20	19
<b>Total</b>	<u>243</u>	<u>216</u>

Emoluments of £79k were paid to the members of the Board (2023: £97k).

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 11. Directors and members (continued)

The full time equivalent number of staff whose remuneration is £60,000 or more (including pension contributions) is disclosed below:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
£60,001 to £70,000	32	21
£70,001 to £80,000	16	14
£80,001 to £90,000	10	6
£90,001 to £100,000	8	7
£100,001 to £110,000	5	1
£110,001 to £120,000	2	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£150,001 to £160,000	-	-
£160,001 to £170,000	2	4
£170,001 to £180,000	1	1
£200,001 to £210,000	-	-
£210,001 to £220,000	-	1
£220,001 to £230,000	2	-

**GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

	Social housing properties held for letting	Housing properties for letting under construction	Completed shared ownership housing properties	Shared ownership housing properties under construction	Other social housing properties held for letting	Total housing properties 2024
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
Opening balance	1,262,467	134,614	220,613	54,788	1,048	1,673,530
Additions	840	118,932	572	17,689	-	138,033
Components capitalised	21,808	-	-	-	-	21,808
Interest capitalised	-	2,236	-	1,818	-	4,054
Schemes completed	36,017	(36,017)	23,357	(23,357)	-	-
Disposals	(2,446)	-	(3,475)	-	-	(5,921)
Component disposals	(2,990)	-	-	-	-	(2,990)
Reclassified	3,183	-	(3,183)	-	-	-
As at 31 March 2024	1,318,879	219,765	237,884	50,938	1,048	1,828,514
<b>Depreciation and impairment</b>						
Opening balance	(223,794)	-	(12,980)	-	(200)	(236,974)
Charged in year	(18,547)	-	(1,748)	-	(13)	(20,308)
Disposal	750	-	313	-	-	1,063
Component disposals	2,158	-	-	-	-	2,158
Transfers and reclassifications	(372)	-	372	-	-	-
As at 31 March 2024	(239,805)	-	(14,043)	-	(213)	(254,061)
<b>NBV as at 31 March 2024</b>	<b>1,079,074</b>	<b>219,765</b>	<b>223,841</b>	<b>50,938</b>	<b>835</b>	<b>1,574,453</b>
NBV as at 31 March 2023	1,038,673	134,614	207,633	54,788	848	1,436,556

Cumulative interest capitalised in housing properties is £22,759k (2023: £18,705k).

**Expenditure to works on existing properties**

	2024 £'000	2023 £'000
Amounts capitalised	21,808	13,746
Amounts charged to income statement	4,569	7,448
	<b>26,377</b>	<b>21,194</b>

**Housing properties book value, net of depreciation impairment**

	2024 £'000	2023 £'000
Freehold land and buildings	1,265,737	1,138,757
Long leasehold land and buildings	308,716	297,799
	<b>1,574,453</b>	<b>1,436,556</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13. Tangible fixed assets – investment properties

	2024	2023
	£'000	£'000
<b>Valuation</b>		
At the beginning on the year	17,130	17,075
Impairment	(12)	-
Revaluations	114	55
<b>At the end of the year</b>	<b>17,232</b>	<b>17,130</b>
<b>Historical cost of completed investment properties</b>		
	<b>2024</b>	<b>2023</b>
	£'000	£'000
Gross cost	13,481	13,481
Impairment	(12)	-
Accumulated depreciation based on historical cost	(5,470)	(5,394)
<b>Historical cost net book value</b>	<b>7,999</b>	<b>8,087</b>

The investment properties were valued at 31 March 2024 by Aspin and Company Chartered Surveyors, on the basis of Market Value, as defined in the Valuation Global Standards of the Royal Institution of Chartered Surveyors (“Red Book Global”).

The revaluation gain of investment properties is £114k (2023: £55k). Of this £114k has been credited to the revaluation reserve as it represents an increase to the original property values rather than a reversal of a previous negative revaluation.

The impairment relates to a property nearing the end of its lease and the property’s value has decreased to allow for lost rent if the lease is not renewed.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 14. Tangible fixed assets – other

	Freehold offices	Furniture and equipment	IT and computers	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
As at 1 April 2023	12,120	552	5,024	17,696
Additions	426	149	548	1,123
<b>As at 31 March 2024</b>	<b>12,546</b>	<b>701</b>	<b>5,572</b>	<b>18,819</b>
<b>Depreciation and Impairment</b>				
As at 1 April 2023	(1,645)	(292)	(2,614)	(4,551)
Charged in year	(201)	(107)	(944)	(1,252)
<b>As at 31 March 2024</b>	<b>(1,846)</b>	<b>(399)</b>	<b>(3,558)</b>	<b>(5,803)</b>
<b>NBV as at 31 March 2024</b>	<b>10,700</b>	<b>302</b>	<b>2,014</b>	<b>13,016</b>
NBV as at 31 March 2023	10,475	260	2,410	13,145

#### 15. Investments – Homebuy loans

	2024	2023
	£'000	£'000
At the beginning of the year	5,395	5,892
Loans redeemed	(120)	(497)
<b>At the end of the year</b>	<b>5,275</b>	<b>5,395</b>

#### 16. Fixed asset investment

Fixed asset investments relate to shared equity loans of £461k (2023: £461k). These loans were funded by Great Places Housing Association (GPHA) and not Homes England.

#### 17. Stock and work in progress

	2024	2023
	£'000	£'000
Shared ownership properties:		
- completed	9,861	9,797
- under construction	31,016	15,694
Materials stock	902	965
	<b>41,779</b>	<b>26,456</b>

The figures above include £1,818k (2023: £2,879k) of capitalised interest.



## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 18. Debtors

	2024	2023
	£'000	£'000
<b>Due within one year</b>		
Rent and service charges receivable	11,762	10,153
Provision for bad and doubtful debts	(5,602)	(5,053)
	<u>6,160</u>	<u>5,100</u>
Due from group undertakings	146	2,038
Trade debtors	5,022	1,734
Social housing grant receivable	42,896	18,775
Others debtors	3,891	2,814
Prepayments and accrued income	7,385	2,704
	<u>65,500</u>	<u>33,165</u>
<b>Due after more than one year</b>		
Due from subsidiary undertakings (note 32)	25,423	15,602
	<u>25,423</u>	<u>15,602</u>

Amounts due in less than one year from group undertakings are interest free and due on demand.

#### 19. Current asset investments

	2024	2023
	£'000	£'000
<b>Investments held by lenders</b>		
THFC/AHF to cover property security withdrawal	6,221	5,807
THFC/AHF to cover 12 months interest	2,522	2,407
	<u>8,743</u>	<u>8,214</u>

#### 20. Cash and cash equivalents

Within the cash total £37,505k (2023 £92,746k) is an amount held on behalf of others of £4,316k (2023: nil).

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Debt, net of arrangement fees (Note 23b)	1,006	978
Loan due to parent undertaking (Note 23a)	9,109	11,677
Obligations under finance lease (Note 23c)	-	61
Interest rate swap due to parent undertaking (Note 23d)	503	740
Deferred capital grant (note 24)	5,159	6,788
Recycled capital grant fund (note 25)	-	-
Trade creditors	538	275
Rent and service charges received in advance	4,424	4,103
Social housing grant received in advance	75,563	39,142
Owed to group undertakings	11,127	9,113
Other taxation and social security	1,410	764
Leaseholder sinking funds	16,644	16,424
Other creditors	9,401	12,696
Accruals and deferred income	20,343	13,816
	<b>155,227</b>	<b>116,577</b>

Leaseholder sinking funds are held in trust for leaseholders to cover anticipated future expenditure in relation to their sinking fund liabilities. Amounts due in less than one year from group undertakings are interest free and due on demand.

#### 22. Creditors: amounts falling due after one year

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Debt, net of arrangement fees (Note 23b)	105,497	107,985
Loan due to parent undertaking (Note 23a)	564,848	571,261
Obligations under finance lease (Note 23c)	-	3,096
Interest rate swap due to parent undertaking (Note 23d)	4,905	7,142
Deferred capital grant (note 24)	696,165	609,364
Recycled capital grant fund (note 25)	15,517	8,916
	<b>1,386,932</b>	<b>1,307,764</b>

#### 23. Debt analysis

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Loan due to parent	573,957	582,938
Loans: principal and fair value of loans	93,247	94,220
Bond issue and premium	20,590	20,595
	<b>687,794</b>	<b>697,753</b>
Less: arrangement fees	(7,334)	(5,852)
	<b>680,460</b>	<b>691,901</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 23. Debt analysis (continued)

The weighted average interest rate of these loans at 31 March 2024 is 3.82% (2023: 3.83%).

Sustainability-linked loan targets (key performance indicators, or KPIs) are ambitious and stretching, whilst being realistic. They are aligned with our corporate ambitions and strategies. During the year to March 2024 we built 95% of new homes to an EPC rating of B or higher, and improved 373 existing properties to an EPC rating of C or higher.

Loans are repayable at varying rates of interest in instalments. Further details are given in note 26 financial instruments. Debt is secured by specific charges on the Group's housing properties.

##### a) Loan due to parent undertaking

Own-name bond and bank facilities are borrowed by GPHG and then on-lent to its subsidiary GPHA under a guarantee structure set up in 2007. This excludes debt from social housing aggregators and local authorities. As such these loans are presented in GPHA as an intercompany loan with its parent GPHG.

The loan due to parent undertaking is detailed below:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less or on demand	9,109	11,677
In more than one year, but not more than two years	16,203	17,859
In more than two years, but not more than five years	23,205	22,764
In more than five years	525,440	530,638
	<hr/>	<hr/>
	564,848	571,261
	<hr/>	<hr/>
	<b>573,957</b>	<b>582,938</b>

Loans due to parent undertaking comprise bank loans of £183.3m (2023: £190.4m) and a £345m bond which, including the related premiums and discounts had a balance of £390.7m (2023: £392.6m). The bond was issued in stages as set out below.

On 22 October 2012 Great Places Housing Group Limited ("Great Places") issued a £200m bond of which £50m was retained. £150m was immediately on lent to Great Places Housing Association. The bond has a 30 year term at a fixed interest rate of 4.811%.

On 5 December 2013, Great Places released part of the £50m retained bond which was immediately on lent to Great Places Housing Association. The release resulted in the issue of £31.78m of bonds at a spread of 1.04% over the gilt yield to provide a fixed rate funding at an all in cost of 4.574%.

On 9 October 2014, Great Places released the final part of the retained bond of £18.22m which was immediately on lent to Great Places Housing Association. The bond was sold at a spread of 1.02% over the gilt yield to provide a fixed rate funding at an all in cost of 4.002%

On 19 March 2018, GPHG tapped its existing bond issue for £145m, of which £70m was retained for later sale. The bond matures in October 2042, in line with the 2012 issue. £75m was sold when issued, and achieved a spread of 1.40% over the gilt yield to provide a fixed rate of funding at an all in cost of 3.341%. This was on lent to GPHA.

On 27 January 2021, GPHG sold the final part of its £145m bond issue, £70m, that achieved a spread of 1.20% over the gilt yield to provide a fixed rate of funding at an all in cost of 1.998%. This was on lent to GPHA.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 23. Debt analysis (continued)

##### b) Loans repayable

Loans are repayable as follows:

	2024 £'000	2023 £'000
In one year or less or on demand	1,006	978
In more than one year, but not more than two years	1,774	1,006
In more than two years, but not more than five years	7,743	6,899
In more than five years	103,314	105,932
	<b>112,831</b>	<b>113,837</b>
	<b>113,837</b>	<b>114,815</b>
Less: arrangement fees	(7,334)	(5,852)
	<b>106,503</b>	<b>108,963</b>

The fixed and variable split is as follows:

	2024 £'000	2023 £'000
Bond - fixed rate	20,590	20,595
Fixed rate loans	93,247	94,220
	<b>113,837</b>	<b>114,815</b>

##### c) Obligations under finance leases

	2024 £'000	2023 £'000
In one year or less or on demand	-	61
In more than one year, but not more than two years	-	72
In more than two years, but not more than five years	-	298
In more than five years	-	2,726
	-	<b>3,157</b>

##### d) Interest rate swaps fair values due to parent undertaking

	2024 £'000	2023 £'000
In one year or less or on demand	503	740
In more than one year, but not more than two years	503	740
In more than two years, but not more than five years	1,730	2,257
In more than five years	2,672	4,145
	<b>5,408</b>	<b>7,882</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 23. Debt analysis (continued)

The Association's parent, Great Places Housing Group (GPHG), has entered into a number of standalone interest rate swap agreements in order to fix the Group's exposure to interest rate movements. The loans, which GPHG has interest rate swaps in place against, have been on lent to the Association under an intra-group loan agreement. Under the terms of this agreement the Association has indemnified GPHG in relation to any costs in relation to the interest rate swaps or similar hedging arrangements. It is the Association that ultimately recognises any fair value gains and losses in its Statement of Comprehensive Income.

The notional amount of the swap agreements is £107m against SONIA rates and the fixed swap rates are between 4.20% and 4.97% with maturity dates between 2024 and 2037. Further details are given in note 26 Financial Instruments. The swap fair values have been obtained from swap counterparties and verified by the Association's treasury advisors at each reporting date. The repayment profile set out above is calculated based on expected reduction in swap exposure over time.

#### 24. Deferred capital grant

	<b>Social housing grant</b>	<b>Homebuy grant</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total grant at start of period	703,495	5,395	708,890	679,255
Transfer of engagements (note 32)	-	-	-	-
Grants received in the year	92,338	-	92,338	37,243
Grants recycled in the year	(2,128)	(119)	(2,247)	(3,439)
Grants disposed in the year	(201)	(2)	(203)	(4,168)
<b>Total grant at end of period</b>	<b>793,504</b>	<b>5,274</b>	<b>798,778</b>	<b>708,891</b>
Total amortisation at start of period	(92,738)	-	(92,738)	(87,119)
Released to income in the period - social housing	(5,160)	-	(5,160)	(6,529)
Released to income in the period - other	-	-	-	-
Released on disposal	444	-	444	909
<b>Total amortisation at end of period</b>	<b>(97,454)</b>	<b>-</b>	<b>(97,454)</b>	<b>(92,739)</b>
<b>Net book value at end of period</b>	<b>696,050</b>	<b>5,274</b>	<b>701,324</b>	<b>616,152</b>
Net book value at start of period	610,757	5,395	616,152	592,136
<b>Of which:</b>				
Due within one year			5,159	6,788
Due after more than one year			696,165	609,364
			<b>701,324</b>	<b>616,152</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 25. Recycled capital grant fund

	2024	2023
	£'000	£'000
At the beginning of the year	8,916	10,276
Grants recycled		
- Housing Properties	1,393	1,738
- Shared Ownership	735	1,205
- Homebuy	119	496
Interest accrued	783	255
Transfers from other group members	28	18
Transfers from other RPs	-	-
Development of properties: additions	6,838	-
Development of properties: withdrawals	(3,295)	(5,072)
<b>At the end of the year</b>	<b>15,517</b>	<b>8,916</b>
<b>Of which:</b>		
Due within one year	-	-
Due greater than one year	15,517	8,916
	<b>15,517</b>	<b>8,916</b>

#### 26. Financial instruments

	2024	2023
	£'000	£'000
<b>Financial assets</b>		
Financial assets measured at historical cost:		
Homebuy loans	5,275	5,395
Trade receivables	5,022	1,734
Other receivables	85,901	47,033
Current asset investments	8,744	8,214
Cash and cash equivalents	33,188	92,739
<b>Total financial assets</b>	<b>138,130</b>	<b>155,115</b>
	2024	2023
	£'000	£'000
<b>Financial liabilities</b>		
Financial liabilities measured at historical cost:		
Loans payable	680,459	691,901
Trade creditors	538	275
Other creditors	154,453	104,973
Finance leases	-	3,157
Deferred capital grant	701,324	616,152
Derivative financial instruments hedged*	5,408	7,882
<b>Total financial liabilities</b>	<b>1,542,182</b>	<b>1,424,340</b>

\*Derivative financial instruments designated as hedges of variable interest rate risk derived from swaps

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **26. Financial instruments (continued)**

The cash flows arising from the hedged interest rate swaps will continue until their maturity in the periods November 2024 to December 2037, coincidental with the repayment of the term loans. The change in fair value in the period was a decrease in the liability of £2,474k (2023: decrease of £20,251k) with the entire charge being recognised in other comprehensive income as the swaps are all effective hedges.

#### **27. Pensions**

The Association participates in three funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) and two Local Government Pension Schemes (LGPS) one administered by the South Yorkshire Pension Authority (SYPA) and the second administered by the Great Manchester Pension Fund (GMPPF). For these schemes, assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and are discounted as appropriate high quality corporate bond rates.

##### **Social Housing Pension Scheme**

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK..

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

The full three year actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed additional contributions over the 2017 valuation planned. Deficit contributions will increase to £175m p.a. compared to the 2017 plan and will be payable from 1 April 2022 to 31 March 2028. This is 18 months’ later than the 2017 valuation planned. Deficit contributions will increase at 5.5% p.a. with the first increase in April 2023.

All pension liabilities transferred into GPHA under TUPE during 2020/21 including Equity Housing Group and those from Great Places Housing Group are included in this amount.

The Association’s contribution to the SHPS deficit for the year ended 31 March 2024 was £3,174k (2023: £2,996k). We estimate that the contributions to be paid in the next financial year will be £3,262k.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before mid -2025 at the earliest. It is estimated that this could potentially increase the value of the full scheme liabilities by £155m. We note that this estimate has been calculated as at 30<sup>th</sup> September 2022 on the Scheme’s Technical Provisions basis. Until the court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year no adjustment has been made in these financial statement in respect of this.

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 27. Pensions (continued)

##### Local Government Pension Schemes

The Association participates in two Local Government Pension Schemes (“LGPS”), one administered by South Yorkshire Pensions Authority (“SYPA”) and one by Greater Manchester Pension Fund (“GMPF”). They are both defined benefit multi-employer benefit schemes administered under the Regulations governing the Local Government Pension Scheme. In accordance with accounting standards, the Association has grouped the disclosures of the two local government pension schemes in line with FRS 102.

At 31 March 2024 there were three active members of the Schemes employed by the Association. The employer’s contribution rate is 19.1% (2023: 19.1%) for SYPA and 20.6% (2023: 20.6%) for GMPF of pensionable pay. We estimate that the contributions to be paid in the next financial year will be £18k.

A full actuarial valuation was carried out at 31 March 2020 and supplementary figures were provided for 31 March 2024 by a qualified independent actuary.

##### Pension liabilities

	LGPS £’000	SHPS £’000	Total 2024 £’000	Restated LGPS £’000	SHPS £’000	Restated Total 2023 £’000
Present value of funded obligations	(1,162)	(67,302)	(68,464)	(2,553)	(66,984)	(69,537)
Fair value of plan assets	2,806	54,406	57,212	4,002	55,344	59,346
<b>Net asset / (liability)</b>	<b>1,644</b>	<b>(12,896)</b>	<b>(11,252)</b>	<b>1,449</b>	<b>(11,640)</b>	<b>(10,191)</b>
Pension surplus not recognised	(1,644)	-	(1,644)	(1,449)	-	(1,449)
<b>Net asset / (liability) recognised</b>	<b>-</b>	<b>(12,896)</b>	<b>(12,896)</b>	<b>-</b>	<b>(11,640)</b>	<b>(11,640)</b>

\*Restatement of LGPS defined pension balances for March 22 and March 23. To correct presentation of surplus recognised.

The combined plans for Greater Manchester Pension Fund (GMPF) and South Yorkshire Pension Fund (SYPF) have a gross surplus at the reporting date of £1,644k (2023: £1,449k). The Group has considered whether to recognise an asset in the balance sheet to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds from either scheme. The Group does not consider that the surplus is recoverable and has therefore capped the asset position at £NIL.

##### Analysis of the amount charged to the Statement of Comprehensive Income:

	LGPS 2024 £’000	SHPS 2024 £’000	Total 2024 £’000	LGPS 2023 £’000	SHPS 2023 £’000	Total 2023 £’000
Current service cost	22	-	22	40	-	40
Administrative expenses	-	66	66	-	59	59
<b>Total charge to operating costs</b>	<b>22</b>	<b>66</b>	<b>88</b>	<b>40</b>	<b>59</b>	<b>99</b>
Interest on plan assets	(192)	(2,713)	(2,905)	(120)	(2,523)	(2,643)
Interest on pension scheme liabilities	126	3,204	3,330	127	2,813	2,940
<b>Total charge to other finance costs</b>	<b>(66)</b>	<b>491</b>	<b>425</b>	<b>7</b>	<b>290</b>	<b>297</b>



# GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 27. Pensions (continued)

Analysis of the amount (charged)/credited to other comprehensive income:

	LGPS £'000	SHPS £'000	Total 2024 £'000	Restated		Total 2023 £'000
				LGPS £'000	SHPS £'000	
Restatement LGPS asset not recognised Mar 22 (GMPF)	-	-	-	383	-	383
Restatement LGPS asset not recognised Mar 23 (SYPA & GMPF)	-	-	-	(1,449)	-	(1,449)
Experience on plan assets - gain (loss)	109	(4,866)	(4,757)	(478)	(37,885)	(38,363)
Experience gains and losses arising on the plan liabilities - gain (loss)	(88)	(651)	(739)	454	2,190	2,644
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	934	685	1,619	55	144	199
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	616	988	1,604	1,698	33,248	34,946
<b>Total other comprehensive income</b>	<b>1,571</b>	<b>(3,844)</b>	<b>(2,273)</b>	<b>663</b>	<b>(2,303)</b>	<b>(1,640)</b>

Changes in present value of defined benefit obligation:

	LGPS £'000	SHPS £'000	Total 2024 £'000	LGPS £'000	SHPS £'000	Total 2023 £'000
Defined benefit obligation at start of period	(2,553)	(66,984)	(69,537)	(5,022)	(102,014)	(107,036)
Restatement of opening Mar 22 GMPF net asset	-	-	-	357	-	357
Current service cost	(22)	-	(22)	(40)	-	(40)
Expenses	-	(66)	(66)	-	(59)	(59)
Interest expense	(126)	(3,204)	(3,330)	(127)	(2,813)	(2,940)
Member contributions	(6)	-	(6)	(6)	-	(6)
Actuarial losses (gains) due to scheme experience	(88)	(651)	(739)	454	2,190	2,644
Actuarial losses (gains) due to changes in demographic assumptions	934	685	1,619	55	144	199
Actuarial losses (gains) due to changes in financial assumptions	616	988	1,604	1,698	33,248	34,946
Benefits paid and expenses	83	1,930	2,013	78	2,320	2,398
<b>Defined benefit obligation at end of period</b>	<b>(1,162)</b>	<b>(67,302)</b>	<b>(68,464)</b>	<b>(2,553)</b>	<b>(66,984)</b>	<b>(69,537)</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 27. Pensions (continued)

##### Changes in fair value of plan assets:

	LGPS £'000	SHPS £'000	Total 2024 £'000	LGPS £'000	SHPS £'000	Total 2023 £'000
Fair value of plan assets at start of period	2,553	55,344	57,897	4,389	90,280	94,669
Restatement of opening Mar 22 GMPF net asset	-	-	-	26	-	26
Interest income	192	2,713	2,905	120	2,523	2,643
Experience on plan assets - gain (loss)	109	(4,866)	(4,757)	(478)	(37,885)	(38,363)
Employer contributions	29	3,145	3,174	17	2,746	2,763
Member contributions	6	-	6	6	-	6
Benefits paid and expenses	(83)	(1,930)	(2,013)	(78)	(2,320)	(2,398)
<b>Fair value of plan assets at end of period</b>	<b>2,806</b>	<b>54,406</b>	<b>57,212</b>	<b>4,002</b>	<b>55,344</b>	<b>59,346</b>
Plan asset not recognised	(1,644)	-	(1,644)	(1,449)	-	(1,449)
<b>Fair value of plan assets recognised at end of period</b>	<b>1,162</b>	<b>54,406</b>	<b>55,568</b>	<b>2,553</b>	<b>55,344</b>	<b>57,897</b>

##### Financial Assumptions:

In calculating the scheme assets and liabilities, the fund actuary had to make a number of assumptions about events and circumstances in the future. These assumptions represent the best estimate of expected outcomes, but it is possible that actual outcomes will differ from those indicated. The main assumptions used by the actuary were:

	2024 LGPS % per annum	2024 SHPS % per annum	2024 Total % per annum	2023 Total % per annum
Discount rate	4.80% - 4.85%	4.92%	4.80% - 4.92%	4.75% - 4.84%
Pension increase	0.00% - 0.00%	3.11%	0.00% - 3.11%	0.00% - 3.17%
Inflation rate (CPI)	2.75% - 2.80%	2.79%	2.75% - 2.79%	2.79% - 3.00%
Salary Growth	3.35% - 3.60%	3.79%	3.35% - 3.79%	3.55% - 3.80%
Allowance for commutation of pension for cash at retirement			75%	75%

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

Mortality Assumptions	2024 LGPS	2024 SHPS	2024 Total	2023 Total
<b>Life expectancy at age 65 (Years)</b>				
Male retiring now	19.1 - 20.6	20.5	20.5 - 20.6	20.5 - 21.0
Female retiring now	22.7 - 23.6	23.0	23.0 - 23.6	23.4 - 23.7
Male retiring in 20 years	21.2 - 21.4	21.8	21.4 - 21.8	21.5 - 22.2
Female retiring in 20 years	23.9 - 25.0	24.4	24.4 - 25.0	24.9 - 25.2

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 27. Pensions (continued)

Major categories of plan assets as a percentage of total plan assets:

	2024 LGPS		2024 SHPS		2024 Total	
	£'000	%	£'000	%	£'000	%
Equities	800	68.8%	11,213	20.6%	12,013	21.6%
Bonds	233	20.0%	6,762	12.4%	6,995	12.6%
Property	103	8.8%	8,032	14.8%	8,135	14.6%
Cash/Liquidity	27	2.3%	1,074	2.0%	1,101	2.0%
Other	-	0.1%	27,325	50.2%	27,325	49.2%
<b>Total</b>	<b>1,162</b>	<b>100.0%</b>	<b>54,406</b>	<b>100.0%</b>	<b>55,568</b>	<b>100.0%</b>

#### 28. Employees

The average number of employees, including the Executive Team, expressed as full time equivalents during the year was as follows:

	2024 No	2023 No
Housing, support and care	335	314
Maintenance	261	214
Development	100	76
Administration	220	205
	<b>916</b>	<b>809</b>

Employee costs were as follows:

	2024 £'000	2023 £'000
Wages and salaries	34,130	27,884
Social security costs	3,236	2,772
Other pension costs	1,979	1,584
	<b>39,345</b>	<b>32,240</b>

#### 29. 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, his/her share is forfeited and the value is credited to the revenue reserve.

	2024 £	2023 £
<b>Shares of £1 each issued and fully paid</b>		
At the beginning of the year	16	13
Shares issued during the year	4	3
Shares surrendered during the year	(6)	-
At the end of the year	<b>14</b>	<b>16</b>

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 30. Financial commitments

##### a) Capital Commitments

Capital expenditure commitments were as follows:

	2024	2023
	£'000	£'000
Expenditure contracted but not provided for in the accounts	295,335	230,358
Expenditure authorised by the Board, but not contracted	66,814	44,348
	<b>362,149</b>	<b>274,706</b>

Capital commitments will be funded as follows:

	2024	2023
	£'000	£'000
Existing loan facilities	139,568	100,292
First tranche sales	35,866	42,801
Grants	136,138	38,867
Existing reserves	50,577	92,746
	<b>362,149</b>	<b>274,706</b>

##### b) Operating Leases

The Association had minimum lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£'000	£'000
In one year or less or on demand	1,239	349
In more than one year, but not more than two years	1,180	245
In more than two years, but not more than five years	2,804	311
In more than five years	764	840
	<b>5,987</b>	<b>1,745</b>

#### 31. Accommodation in management and development

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

	Owned not managed	Managed not owned	Owned and Managed	2024 Total Owned and Managed	2023 Total Owned and Managed
General needs - social rent	140	672	9,985	10,797	10,763
General needs - affordable rent	-	124	6,110	6,234	5,883
Low Cost Home Ownership	9	69	3,267	3,345	3,194
Supported housing	201	76	1,095	1,372	1,395
Supported - housing for older people	-	-	457	457	478
Intermediate rent	-	-	304	304	315
Non social rented	100	229	165	494	262
Social leased	-	49	1,043	1,092	1,050
Non social leased	49	241	50	340	98
<b>Total</b>	<b>499</b>	<b>1,460</b>	<b>22,476</b>	<b>24,435</b>	<b>23,438</b>

Accommodation in development at year-end

2,080      1,607

## GREAT PLACES HOUSING ASSOCIATION

Year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 31. Accommodation in management and development (continued)

The note below is a reconciliation of the movement in unit numbers broken down by the category of asset. There was a net increase of 1,480 properties in the year principally driven by development and acquisition of new housing.

	General needs - social rent	General needs - affordable rent	Low Cost Home Ownership	Supported housing	Intermediate rent	Other	Total
<b>Opening unit numbers</b>	<b>10,763</b>	<b>5,883</b>	<b>3,194</b>	<b>1,873</b>	<b>315</b>	<b>1,410</b>	<b>23,438</b>
Correction to opening numbers	-	-	-	-	-	-	-
Reclassification of restricted SO units	41	-	6	(41)	(3)	-	3
Other additions	1	2	1	10	-	12	26
New stock acquired	34	296	161	-	-	-	491
New stock into management	-	41	34	-	-	470	545
Management contracts ceased	-	-	-	-	-	-	-
Sales to another RP	-	-	-	-	-	-	-
Sales to the open market	(17)	(2)	-	(10)	(1)	-	(30)
Sales to tenants freehold	-	-	-	-	-	-	-
Sales to tenants leasehold	(8)	(5)	(24)	-	-	31	(6)
Other sales	-	-	(27)	-	(1)	(1)	(29)
Other losses	-	-	-	-	-	-	-
Remodelling of scheme	-	-	-	(3)	-	4	1
Lease hand backs	(3)	(1)	-	-	-	-	(4)
Move FROM social rent stock category	(42)	(22)	-	-	(6)	-	(70)
Move TO social rent stock category	28	42	-	-	-	-	70
<b>Calculated net change in stock</b>	<b>34</b>	<b>351</b>	<b>151</b>	<b>(44)</b>	<b>(11)</b>	<b>516</b>	<b>997</b>
<b>Calculated closing Stock number</b>	<b>10,797</b>	<b>6,234</b>	<b>3,345</b>	<b>1,829</b>	<b>304</b>	<b>1,926</b>	<b>24,435</b>

#### 32. Contingent liabilities

The Association has a future obligation to recycle grant in relation to properties acquired from other registered providers once the properties are disposed of. At 31 March 2023, the value of grant received in respect of these properties that had not been disposed of was £27,613k (2023: £27,639k).

##### Cross guarantees

Following the refinancing exercise in December 2007 by Great Places Housing Group Limited ("Great Places"), cross guarantees are in place with Great Places Housing Association ("GPHA"). These facilities are loans to Great Places and then on-lent to GPHA under a guarantee structure; i.e. the loans are secured against the assets of both the Association and those of the Group.

The guarantee structure also covers the interest rate swaps entered into by Great Places. As disclosed in note 22a, £574m (2023: £583m) of the Group's loans are on lent to GPHA under this arrangement.

## **GREAT PLACES HOUSING ASSOCIATION**

**Year ended 31 March 2024**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **33. Related parties**

During the year the Association had intra-group transactions with its subsidiary Terra Nova Developments Limited, a non-regulated entity, incurring costs of £30,648k (2023: £15,043k) relating to housing property design and build services. At 31 March 2024 the Association owed Terra Nova Developments Limited £nil (2023: £nil).

The Association has a loan with its subsidiary, Cube Homes Limited (“Cube”), a non-regulated entity. At the end of the year the value of the loan was £25,423k (2023: £15,602k). Interest of £1,106k (2023: £584k) was charged by the Association to Cube on this loan during the year.

The Association has taken advantage of the exemption available under FRS 102 not to disclose transactions with regulated Group Companies.

#### **34. 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 and Regeneration Act 2008. 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).

Great Places Housing Association is the parent company of Terra Nova Developments Limited and Cube Homes Limited, both of which traded during the year and are incorporated in the United Kingdom.