

# Financial Statements

For the Year Ended 31 March 2024

Greatwell Homes



An Exempt Charity

(Co-operative and Community Benefit Society)

(property, plant and equipment held at cost not valuation)

Basis of preparation:

Compliant with 2018 SORP for Housing Associations and

Accounting Direction 2022

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## Company Information

Board Members:		Executive Directors:	
<b>Chairman:</b>	Mike Kay (from 14 September 2023)  John Lewis (until 13 September 2023)	Chief Executive Officer	Joanne Savage
<b>Vice Chair:</b>	Simon Brooksbank	Executive Director and Company Secretary	Julie Robinson
<b>Board Members:</b>	Cheryl Armatrading	Executive Director (from 2 September 2023)	Chris Holloway
	David Beale		
	Mona Shah		
	Martin Lord		
	Jo Robinson		
	Kevin Edwards		
	Gurmeet Viridi		
	Helen McGregor		

Advisors and Bankers:		
<b>Registered Office:</b> Greatwell Homes Limited Unit 7, Midland Business Units Finedon Road Wellingborough Northampton NN8 4AD	<b>Auditors:</b> Beever and Struthers One Express 1 George Leigh Street Ancoats Manchester M4 5DL	<b>Principal Solicitors:</b> Trowers and Hamblins 3 Bunhill Row London EC1Y 8YZ
<b>Principal Funders and Bankers:</b> Barclays Bank PLC Midlands Team PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN	<b>Valuers: (Social Housing)</b> Avison Young One Kingsway Cardiff CF10 3AN	<b>Valuers: (Market Rent &amp; Commercial)</b> Harwoods 21 Silver Street Wellingborough Northamptonshire NN8 1AY

# Greatwell Homes Financial Statement for the Year Ended 31 March 2024

## Overview

Greatwell Homes is a not-for-profit registered provider of social housing. Created in December 2007, we own and manage over five thousand homes for low-cost rent and shared ownership in Northamptonshire. We exist to provide good quality homes in a variety of ways for people who might otherwise be unable to afford them. We work to ensure we have successful and sustainable relationships with our customers and other stakeholders.

## Principal Activities

Our principal activities are the management, maintenance, and development of affordable homes for rent. As at March 2024, we owned 5,126 homes and managed a further 62 homes.

## Legal Structure

We are a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014 (30097R). We are registered with the Regulator of Social Housing as a Registered Provider of Social Housing with a registration number of L4509.

## 2023/24 - Year at a Glance

Number of Properties owned and managed. <b>5,188</b> (2023: 5,185)	Full Time equivalent staff <b>197</b> (2023: 176)	Social Housing Unit Cost <b>£4,930</b> (2023: £4,261)
First Tranche Sales Income <b>£782k</b> (2023: £1,368k)	Works to existing properties <b>£5,447k</b> (2023: £5,026)	Net Assets <b>£93,187k</b> (2023: £90,833k)
Operating Margin <b>16%</b> (2023: 23%)	Net Margin <b>7%</b> (2023: 7%)	Current Tenant Arrears <b>2.21%</b> (2023: 2.05%)
Void Loss <b>0.46%</b> (2023: 0.62%)		

## Chair's Statement

I am delighted to be writing this for the first time as the new Chair of the Board at Greatwell Homes. I joined in September 2023, halfway through year two of our **Live Greatwell** corporate plan and I have had the opportunity to see first-hand the great impact the plan is having on our customers and their homes and their communities.

This year, we have focussed on investing in our existing homes to make them more energy efficient and safer places to live. With help from our partners Fortem, work started to improve the insulation on 66 of our lowest energy rated homes in Wellingborough. The project is due to be finished in December 2024 and all 66 homes will receive improved insulation to their roofs and walls, as well as new fibre cement plank cladding which is low maintenance and durable. To support this project, we secured £664,000 of the Social Housing Decarbonisation Fund from the Department of Energy Security and Net Zero.

We have also ensured all empty properties with an EPC rating of D or lower are brought up to a C rating before they were re-let, further helping our customers to live more affordably, as well as reducing carbon emissions from our homes.

Our newly introduced furniture recycling scheme saw over 1,000 unwanted household items recycled and saved from landfill. The items were all left in our empty homes at the end of tenancies. Some items were donated to local charities, but other good-quality pieces of furniture, such as sofas and TV units, were gifted to some of our customers who were in need and were not able to afford these themselves. This is a continuation of the work we're doing to support our customers through the cost of living crisis, as well as our customer assistance pot which saw over 298 households receive funds for white goods, furniture, carpets or food vouchers.

Over 1,066 customers have engaged in some way in helping improve our services and this has led to 20 services being changed, implemented or withdrawn as a result. The services we changed were from across the organisation and ranged from improving how we consult with our customers, to running recycling training sessions at two of our schemes allowing our customers to recycle 'special' items that cannot be put into household recycling bins. We would like to thank all customers who shared their valuable thoughts, ideas and time with us.

Work also started on our Dappletree Court scheme which when completed will see 57 new, modern flats for those with support needs aged 55 and over. Work has currently paused on the site due to the construction company going into administration, however as we head into year three of **Live Greatwell**, we're committed to procure a new developer quickly to complete this flagship building.

As we move into our final year of **Live Greatwell**, our focus turns to fulfilling all actions and objectives of our current corporate plan, as well as discussing what our vision is for the

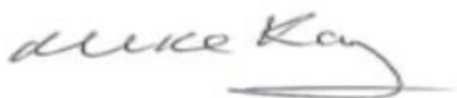
## Chair's Statement (continued)

next three years. We've already started working with key stakeholders, such as customers, staff, local partners, contractors and housing professionals to help steer the next step in our corporate plan.

Due to the successes of *Live Greatwell* so far and how embedded it is within the organisation, our ambition for the next three years is to build on this shared success in *Live Greatwell +*. Through better understanding and smarter delivery, we will deepen the impact of what we do and continue to provide safe, secure sustainable homes and quality services that work for people in and around North Northamptonshire.

With the strong leadership of the executive team and the Board, I am confident that our journey into *Live Greatwell +* will be just as impactful as our current corporate plan.

I would like to end with a big thank you to everyone involved with our work at Greatwell Homes; our partners, stakeholders, customers and funders who support everything we do. Above all, I would like to thank my colleagues and our involved customers who continually help us improve the services we provide.

A handwritten signature in black ink, appearing to read "Mike Kay", with a horizontal line underneath.

Mike Kay  
Chair of the Board



# Strategic report for the year ended 31 March 2024

## Objectives and Strategy

Our vision, mission and promise drive everything we do.



As “Greatwellers” our people embody the values and principles we want everyone who deals with us to see, hear, feel, and experience.

Our Values	
 <b>Inclusion</b>	We value difference and respect every person.
 <b>Collaboration</b>	We trust our team family and work together openly.

## Objectives and Strategy continued

Our Values continued	
 <b>Kindness</b>	<p>We are friendly, wish each other well and look out for each other.</p>
 <b>Customer focused</b>	<p>We take pride in working with customers and communities.</p>
 <b>Adaptability</b>	<p>We look for ways to be more efficient and effective in what we do.</p>

### Principles

We're also committed to four important principles:

1. **Effective services** – that works for local people and empower communities.
2. **Impactful partnerships** – working well together with customers, communities, and partners to increase impact.
3. **Great culture** – attracting talented people to work together, learn together and celebrate diversity.
4. **Efficient business** – driving progress towards our vision through effective strategies and practices.



## Objectives and Strategy continued

### Live Greatwell Corporate Plan

Our Live Greatwell corporate plan sets out how we will work towards our vision of 'great communities where people live well' over the three years from 2022 to 2025.

We believe that living well starts at home, and that a home is much more than a place to live. That's why, as a community-based housing provider, we're all about creating safe, secure and sustainable homes for people in and around north Northamptonshire.

Our four core strategies support our mission and vision, and how we'll measure success.

#### Strategy

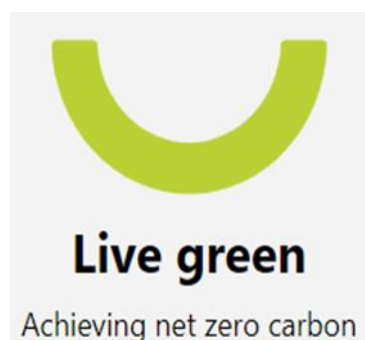


#### Objectives for 2022-25

We'll work closely with customer, communities, and partners to shape places that people are proud of.

To deliver the Live Proud Strategy we'll:

- Explore best practice in placeshaping and define our approach.
- Improve our understanding customers' experiences and aspirations at a community level.
- Increase visibility and connection with communities, focussing on areas where we can make the greatest impact.



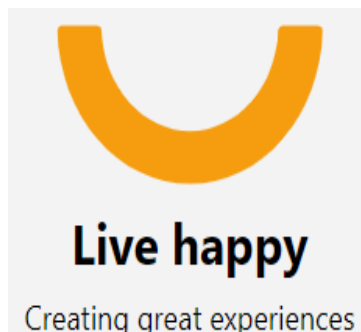
We'll move towards becoming a net zero carbon business by 2050. This means making homes more energy efficient and working with customers to reduce our carbon emissions.

To deliver the Live Green Strategy we'll:

- Define our carbon zero journey to 2050.
- Reduce our organisational footprint by 2025.
- Use data and insight to increase the percentage of customers benefitting from affordable warmth.
- Progress plans to ensure all Greatwell Homes properties achieve a minimum C EPC (Energy Performance Certificate) rating by 2030.
- Investigate other ways to support customers and communities in achieving net zero.
- Build zero carbon ready new homes.

## Objectives and Strategy continued

### Strategy



### Objectives for 2022-25

People are at the heart of everything we do. We will build relationships that work well for customers, communities, partners and staff.

To help people Live Happy we'll:

- Improve how we collect and use data.
- Develop a refreshed customer experience standard.
- Improve inclusivity, diversity and equal opportunity.
- Be an employer of choice.
- Strengthen the Greatweller culture
- Promote wellness
- Develop a robust, focussed and engaging approach to stakeholder management



We'll provide homes where customers feel safe, neighbourhoods where people want to stay and services that are efficient and reliable so we can deliver more.

To promote Live Safe we'll:

- Improve insight and understanding of existing homes.
- Keep customers safe and feeling safe in their homes.
- Develop a resilient repairs and maintenance service that delivers a great experience for customers.
- Achieve a better balance between planned work and day to day repairs.
- Invest at least £15m in existing homes by 2025.
- Deliver new homes.

## Objectives and Strategy continued

### How we Work

We have a robust and comprehensive set of “Working Well” frameworks to support the way we deliver our four core strategies:

<b>Working Well: Risk and Assurance</b>	<b>Identifying and managing foreseeable threats to the stability and continuity of our business</b>
<b>Working Well: Customer Involvement</b>	<b>Connecting and working alongside customers as encouraging, friendly equals.</b>
<b>Working Well: Communications</b>	<b>Getting our message across and enhancing our profile and reputation.</b>
<b>Working Well: Finance and Value for Money</b>	<b>Investing and spending wisely on things that matter most to customers and communities.</b>
<b>Working Well: Transformation</b>	<b>Challenging, modernising and improving our processes, systems and use of technology to become more effective.</b>
<b>Working Well: Governance</b>	<b>Maintaining high standards of probity and integrity in the way we operate.</b>

### Customer Commitments

We'll pursue the objectives set out in our corporate plan through the four commitments we've already co-created with customers. These cover:

- **Managing neighbourhoods.**
- **Managing tenancies.**
- **Managing homes.**
- **Managing relationships.**

## Objectives and Strategy continued

### Live Greatwell Achievements 2023/24

Of 64 actions for Year 2, 63 have been completed, with 1 item deferred to Year 3. Highlights include:

#### Live Happy:

- Introduced a formal apprenticeship plan
- Deliver a Bespoke Customer Assistance Fund for 23/24.

#### Live Safe:

- Complete 20% of stock condition surveys during 2023/24.
- Implement new ways of managing void repairs.

#### Live Proud:

- Improve our response to crime ASB and domestic abuse
- Implement agreed number of community led initiatives

#### Live Green:

- Awarded Bronze accreditation with the iiE and progressing towards achieving Silver accreditation by end of 2024.
- Implemented and delivered furniture recycling project on voids.

## Operating Environment and Review of the Year

The inflationary increase on our main source of income, rents, was capped for many of our customers whilst we experienced double digit inflation on some of our costs in 2023/24 leading to a squeeze on our operating margin. Whilst the inflationary award to staff may be in our control there is little we can do to control contractual price increases on our costs when rent increases are capped by the government to help our customers during a cost of living crisis.

Whilst inflation reduced during the year from the peak of 11.1% in October 2022 the Bank of England did not reduce the base interest rate from its high of 5.25% in August 2023. This affects the interest we pay on the variable rate borrowing from our Revolving Credit Facility (RCF).

One area of cost that saw a significant increase in 2023/24 was our property insurance premium. This was due to the high loss ratios experienced in previous years, some of which was due to hot weather leading to an increase in subsidence claims as well as a difficult insurance market generally. To control our premiums in the long-term we decided to manage insurance claims below £20k in-house from April 2023.

### Regulation

The Social Housing Regulation Act (2023) became law in July 2023 and was the culmination of the Governments response to the Grenfell Tower tragedy in 2017 and the sad death of Awaab Ishak in 2020. Its primary purposes are to keep tenants safe and hold landlords to account.

As a result of the Act the Regulator of Social Housing (RSH) has published a new set of Consumer Standards which come into effect on 1 April 2024 to protect tenants and improve the services they receive.

We have carried out a gap analysis to highlight the areas to focus our attention to ensure we comply with the new Standards. The RSH will evaluate Greatwell Homes performance against these standards in future regulatory assessments.

During the Autumn of 2023 we carried out our first customer survey using the new Tenancy Satisfaction Measures (TSM's). Our results showed that 78% of customers living in low-cost rental accommodation were satisfied with the services provided by Greatwell Homes. The Results will be shared with the RSH and Greatwell Homes staff have a shared organisational objective to use the results of the 2023 survey to further improve customer satisfaction in 2024. The survey will be carried out each year which provides us with an opportunity to monitor customer satisfaction with our homes and services.

## **Operating Environment and Review of the Year (continued)**

A new Ombudsman Complaints Handling Code was published in February 2024 and becomes effective from 1 April 2024. A key change of the Code is that customers who express dissatisfaction, however made, must be given the opportunity to make a formal complaint, and the time period for making a complaint has been increased from 6 months to 12 months. As such it is anticipated that the number of stage one complaints will increase significantly.

Consultation was launched in the year as a further tool to improve the quality of social housing by introducing mandatory qualifications for social housing managers and, in March 2024, the Make it Right campaign was launched to encourage tenants to report poor service.

Another change that will impact Greatwell Homes is a change to procurement legislation. In October 2023 the long awaited Procurement Bill received Royal Assent and sets out new rules and regulations in relation to the procurement of public contracts. We are currently assessing the impact of the Bill on our policies and procedures to ensure we are prepared when the Bill comes into force later in 2024.

Following a regulatory In Depth Assessment (IDA) in December 2022 the Regulator confirmed our ratings against the Governance and Financial Viability Standards as G1 and V2 in March 2023. There was no change to these ratings following the Regulator's November 2023 stability check.

### Customer Assistance

In 2022 we introduced a Customer Assistance Pot (CAP) to support our customers with day to day expenditure in the Cost of Living crisis. Due to the success of the initiative and to continue support for customers this fund was available again in 2023/24. An amount of £191k was gifted in the year to support our customers with items including white goods, carpets, school uniform and food vouchers.

In addition to the CAP we also supported our customers with a furniture recycling scheme. We supported our independent living customers to access support through the Energy Bills Relief Scheme where their heat is provided through a heat exchange and provided energy efficient LED lightbulbs across our customer base.

## **Operating Environment and Review of the Year (continued)**

We voluntarily applied a 7% cap to the increase in rents for our shared ownership customers for 2023/24 and voluntarily capped the increase in our service charges for all customers to a maximum of 7% to provide further support beyond the government's 7% cap for social and affordable rents. Our independent living properties were exempt from the government cap however we voluntarily applied the 7% cap to customers who did not receive support to pay their rent.

### Community Support

Our vision is "Great communities, where people live well" and during 2023/24 we partnered with HMP Five Wells to provide an employment opportunity, within our estates services team, under the ROTL (Release on Temporary Licence) scheme.

We are also working with Wellingborough LIVE, currently we have one of the service users at LIVE on a work experience placement once a week. We also complete litter picking days with them as a joint activity.

At the end of the year, we were close to completing the transfer of the Hemmingwell Community Centre into our ownership. The centre provides a vital resource for the community and has been struggling financially. We are working with our contractors and in-house maintenance team to provide much needed repairs and maintenance for the centre which will continue to be run by a team of volunteers and trustees.

A further initiative during the year was a clothes bank. As a result of this we were able to donate £1,500 to Wellingborough LIVE. This helped them fund new litter picking equipment, days out for their service users and supplies for their craft workshop.

An objective from our Live Greatwell corporate plan was to create apprenticeship posts to provide employment opportunities for local people. We recruited to two apprenticeship positions in 2023, one within our in-house repairs and maintenance team, Greatwell Works, and one within business support.

### Repairs and Maintenance

We know the importance customers place on our repairs and maintenance offering and the impact living in a safe, secure and well maintained home can have on their lives.

Following the death of Awaab Ishak in 2020 there has rightly been an increased focus on damp and mould. At Greatwell Homes we track all damp and mould cases through a separate process to ensure that we capture every case. We have ceased to issue damp and mould kits for customers to use and will instead visit every time to clean, survey and carry out any necessary works. In 2023/2024 we had no reported cases that would be classed as Category 1 and only one Category 2 case under HHSRS (Housing, Health & Safety Ratings System). We are also trialling software to specifically capture, -case manage and report on damp and mould cases.

## **Operating Environment and Review of the Year (continued)**

We were successful in our bid for funding from the SHDF wave 2 (Social Housing Decarbonisation Fund). This is a government initiative to match fund work to deliver warm, energy efficient homes, reduce carbon emissions and tackle fuel poverty. We will use this funding to install external wall insulation to 66 Gregory archetype properties on the Queensway estate. Fortem Solutions were on site from February 2024 with the work expected to be completed by December 2024.

To understand better the condition of our properties and plan for future investment works we have a programme of stock condition surveys. During 2023/24 1,268 stock condition surveys were completed including 233 carried out by Pennington Choices who we instructed to provide an external validation of our stock condition data with results due in the early part of 2024/25. Pennington Choices also provided Energy Performance Certificates for the sample of properties surveyed.

A programme of works to refit the communal areas for our Independent Living schemes was completed in 2023 with residents participating in the selection of furniture, fabrics and decoration.

Works to improve our estates have included demolition of derelict void garage sites, such as Rydal Mount to create parking, with further sites to be completed in 2024/25 to support our Live Proud strategy to create places that people are proud of.

We continued to invest in our properties under the capital programme for 2023/24 which included component renewals for kitchens, bathroom, roofing, windows and doors, roofline works and heating as well as investing in our neighbourhoods, including our garage portfolio. Through the void programme, capital renewals are undertaken where needed such as kitchen and bathroom replacements and electrical upgrades. In total we invested more than £5 million across the capital improvement programme.

We renegotiated our EBITDA MRI interest cover covenant in the year as this was restricting the amount we could invest in our properties each year. We now have a non-sales EBITDA interest cover which does not include capital repairs and maintenance costs.



## **Operating Environment and Review of the Year (continued)**

### Investment & Growth

We entered into contract at the start of the year to redevelop the Hearnden Court independent living scheme. This was the end of a long journey for Greatwell Homes as the building had been vacant for some time however confirmation of grant funding from Homes England meant we could finally make a commitment to redevelop the site. The old building was demolished in September 2023 and work started on the new construction to deliver an extra care scheme that will be known as Dappletree Court. Unfortunately, at the end of April 2024 we were notified that our contractor had gone into administration and we are now seeking a new contractor to complete the build.

As well as the Dappletree Court development, we contracted with 3 house builders to acquire 128 new homes for social, affordable and market rent and shared ownership over a 4 year period. We had taken handover of 36 of these properties by the end of the 2023/24 financial year.

We also continue to work with Rent Plus where we have agreed to manage a further 68 homes once these properties are built.

### Technology

We recognise the role that technology can play in improving our services to customers and working more efficiently.

Our IT Road Map has been externally reviewed and our Transforming our Future (TOF) project group have oversight of this investment.

TOF meet quarterly and the projects delivered during 2023/24 included the implementation of an AI powered ChatBot solution to provide 24/7 customer support and enhancements to our on-line customer portal.

### New Chair and Executive Director

Mike Kay joined as Chair of Greatwell Homes on 14 September 2023. Mike's first Chairman's statement can be found at page 5. Chris Holloway joined our Executive Management Team following his appointment as Executive Director in September 2023. Chris joined Greatwell Homes in July 2018 as Head of Housing and Neighbourhoods.

## Financial Performance Review

Our financial performance for 2023/24 and the preceding years is summarised in Tables 1 and 2 below.

There was growth in turnover as income from social housing lettings increased due to the 7% inflationary increase for most rents however this was lower than the agreed formula which would have seen an increase of 11.1% (September 2022 CPI + 1%) without government intervention to help social housing customers with the cost of living.

The impact of high inflation was considered when agreeing the annual inflationary pay award for staff. Staff earning less than £29,700 received an 11.1% increase, staff earning more than £29,700 up to £35,000 received a 9.70% increase with all other staff receiving 8.10%. These increases were to help with recruitment and retention alongside helping staff through the cost-of-living crisis.

Inflation has also impacted the cost of materials for our repairs and maintenance service and we have seen an increase in compliance costs for building health and safety. We also saw a significant increase in our property insurance premium as described above.

Our operating surplus for the year was £4,738k (2023: £6,515k) and the operating margin was 16% (2023: 23%).

The surplus for the year was £2,173k (2023: £1,849k) and the net margin was 7% (2023: 6%). The surplus for the year exceeded budget by £170k.

Actuarial gains on defined benefit pension schemes of £182k (2023: £1,378k) increased total comprehensive income for the year to £2,354k (2023: £3,227k).

£5m was drawn from our Revolving Credit Facility in December 2023 to fund investment in new development properties.

Table 1 – 5-Year Summary of Financial Performance

For year ended 31 March	2024	2023	2022	2021	2020
Summary Statement of Comprehensive Income	£'000	£'000	£'000	£'000	£'000
Total turnover (note 2)	29,927	28,450	28,462	24,955	25,651
Income from Social Housing lettings (note 3)	27,029	25,224	23,686	22,537	21,386
Operating surplus: continuing activities	4,738	6,515	10,155	7,579	7,341
Surplus before tax	2,172	1,849	7,063	4,882	4,869
Income for the year transferred to reserves	2,354	3,227	9,028	3,870	5,977
<i>Operating margin</i>	16%	23%	36%	30%	29%
<i>Net margin</i>	7%	6%	25%	20%	19%

**Operating Environment and Review of the Year continued**

Table 2 – 5-Year Summary of Financial Performance

For year ended 31 March	2024	2023	2022	2021	2020
<b>Summary Statement of Financial Position</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing properties including Investment properties (notes 11, and 12)	165,735	154,183	150,743	145,457	126,999
Other Property, Plant and Equipment (note 11)	623	540	546	506	651
<b>Total fixed assets</b>	<b>166,358</b>	<b>154,723</b>	<b>151,289</b>	<b>145,963</b>	<b>127,650</b>
Net current assets	5,210	6,327	27,195	14,627	14,108
Pension asset (note 10)	3,481	2,838	1,337	-	-
<b>Total assets less current liabilities</b>	<b>175,049</b>	<b>163,888</b>	<b>179,821</b>	<b>160,590</b>	<b>141,758</b>
<b>Funded by:</b>					
Loans (due over one year) (note 29)	64,894	59,862	78,831	68,799	58,771
Pension liability (note 10)	917	801	777	1,145	35
Other long-term liabilities (note 18)	16,051	12,392	12,607	12,067	8,244
<b>Capital and reserves:</b>					
Revenue reserve	93,187	90,833	87,606	78,579	74,708
<b>Liabilities due in more than 1 year</b>	<b>175,049</b>	<b>163,888</b>	<b>179,821</b>	<b>160,590</b>	<b>141,758</b>

## Risk and Assurance

Our Risk, Assurance and Compliance Framework underpinning our corporate plan strategies came into effect from 2020/21 and is reviewed on an annual basis.

Our risk and assurance register is reviewed throughout the year to provide robust evidencing of internal controls and mitigating actions, using a three-lines-of-defence approach. The risk and assurance register specifies who is responsible for managing the risk and the processes that are in place to embed a culture of risk management.

Annually the Board considers the scope of our risk areas, defines its risk appetite and what each means in practice to demonstrate that governance and risk management is aligned to our risk appetite, as shown below. This also means that our overall objectives and activities align to the risk appetite set by the Board. The Board last reviewed their risk appetite in March 2024.

Our strategic risk register contains eight key risk areas as outlined below. The combined material risk faced by the organisation at year end is amber; with the average likelihood scoring 2.75, and average impact scoring 3.25.

Risk Area	Risk appetite set by the Board	Total Risk Score	Comments, controls, and action
<b>Asset Health &amp; Safety Compliance</b>	Minimal	15	<p>The risk score stayed the same throughout the year, while improvements have been made, the score did not reduce as performance needed to remain consistently good over a period of time before this could happen.</p> <p>Gas safety compliance improved, as did electrical safety. Fire remedial actions reduced. Asbestos survey information was at a standstill for part of the year however a new contractor increased the volume of surveys undertaken.</p>
<b>Finance &amp; Treasury Management</b>	Cautious	15	<p>The risk score remained the same during the year. Board approved a viable budget and business plan including compliance with EBITDA MRI interest cover. Good levels of liquidity were available.</p> <p>2024/25 draft budget surplus is higher than the business plan due to additional income from higher rent increase and the removal of the Independent Living shared ownership sales deficit. Management costs have increased absorbing increases in rents and service charges. Variation letter completed to move to non-sales EBITDA only interest cover from 24/25. Government have now confirmed September 2024 CPI + 1% rent increase for 2025/26.</p>

## Risk and Assurance (continued)

<b>Housing Management &amp; Maintenance</b>	Open	9	There were no changes to the risk score throughout the year due to no substantive change in likelihood or impact.
<b>New Supply, Acquisitions &amp; Disposals</b>	Open	9	There were no changes to the risk score throughout the year due to no significant movement in the operating environment.
<b>Regulatory Compliance</b>	Minimal	9	Stability check carried out by the Regulator in November 2023 confirmed G1,V2 grade.
<b>People</b>	Open	6	Turnover remained stable throughout the year. Staff survey results were overall positive. Sickness levels were low across the year. Staff Cost of Living increase was received positively.
<b>Support Services</b>	Minimal/Cautious	12	The risk score remained the same throughout the year as although there were low level stock improvements completed, this did not reduce the score.
<b>New Business Ventures</b>	Open	6	We are not currently pursuing any new business ventures.

## Governance

### Corporate governance

On 31 March 2024 the Rules of the Association allowed for the appointment of up to twelve Board members and as at this date there were ten Board members. Board members are selected from a wide range of backgrounds to encompass a mix of skills, competencies, and knowledge.

The current board members (and others who served during the period) are set out on page 76. Board members are remunerated for their services and are permitted to claim expenses incurred in the performance of their duties. Details of the remuneration of Board members is set out in note 8 to the financial statements.

Non-Executive Directors are not eligible to participate in any company pension scheme.

The Board determines what matters should be delegated to the Executive Management Team or to a Committee of the Board and what matters it reserves for its own consideration and decision. These are clearly defined in the Governance and Delegation Framework. Board members act in the interest of Greatwell Homes and not on behalf of any other interest group.

Greatwell Home's Board, supported by its committees, ensures that the organisation operates to high standards of integrity, transparency, and accountability.

The Board is supported by two committees, the Audit and Risk Committee and the Board Effectiveness and People Committee.

### Audit and Risk Committee

This committee comprises of at least four, but no more than six, members. The Chair of the Committee is appointed by the Board and cannot be the Chair of the Board. The Committee met four times in the year. Its responsibilities include, to review the financial statements and the appointment of the external and internal auditors and recommend their approval by the Board. The Committee meets with Greatwell Homes' auditors, without officer's present, at least annually.

The Committee plays a valuable role in monitoring the control environment and ensuring that there is an appropriate risk management strategy, risk assessment and control processes are embedded, and appropriate systems are in place.

### Board Effectiveness and People Committee

This Committee comprises of at least three, but no more than five, members and met four times in the year. The Chair of the Committee is appointed by the Board and cannot be the Chair of the Board. Its responsibilities include overseeing matters relating to the recruitment, succession, appraisal, training and remuneration of board members and the executive management team.

## Governance (continued)

### Executive Management Team

The Board delegates day to day management and control of Greatwell Homes, to a group of Executive Directors who meet as an Executive Management Team (EMT). The EMT meets on a regular basis and recommends policy decisions to the Board.

Led by the Chief Executive, the EMT ensures the effective performance and successful delivery of services to customers and investment in neighbourhoods, in line with the agreed corporate objectives.

The Chief Executive and other Executive Directors are appointed on permanent contracts of employment with a notice period of between three and six months. The remuneration of the Executive Directors is reviewed by the Board Effectiveness and People Committee, who make recommendations to be considered and determined by the Board. Details of the executive emoluments are set out in note 8 to the financial statements.

The Executive Directors are eligible to participate in the Social Housing Pension Scheme defined contribution or benefit schemes. Their participation is on the same terms as all other eligible staff. Greatwell Homes contributes to the scheme on behalf of its employees.

The Executive Directors are also entitled to participate in a health care scheme and are eligible, subject to Board approval, for an annual bonus which is based on achieving targets set by the Board.

### Employees

We recognise that the success of our business and our ability to meet our objectives and commitments to our customers and communities depends on our employees. It is the policy of Greatwell Homes that training, career development and promotion opportunities should be available to all employees. We ensure that all employees understand their contribution towards delivery of our Corporate Plan. This is reinforced by regular individual meetings between managers and their direct reports, and by our performance appraisal and target setting process.

We are fully committed to inclusion and have in place modern employment policies that ensure we are an attractive and engaging employer to individuals regardless of their gender, age, ethnicity, sexual orientation, religion, or disability status. We have a remote working and agile working offer. The health, safety, and wellbeing of all our employees is of prime importance. We have in place detailed health and safety policies and provide staff with training and education on health and safety matters.

We recognise the Unison Trade Union and engage in local collective negotiations with them. We also have an established elected staff forum.

### Insurance

Insurance was maintained throughout the period including cover for members and senior employees against liabilities in relation to the Association.

## Governance (continued)

### Corporate Social Responsibility

The Board are committed to be a socially responsible organisation, managing in a socially responsible way, ensuring adherence to legislation and ethical operation. The Association is actively working with local communities and partners to improve the life chances of our customers and our Live Green strategy sets out our commitments to the environment.

### Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

As a public benefit entity, Greatwell Homes Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

### Code of Governance

The National Housing Federation launched the NHF Code of Governance 2020, 'Equipping for Excellence' for Housing Associations in November 2020. The code reflects the need to protect and promote the interests of customers and the communities they live in, while safeguarding public and private investment in Social Housing and maintaining public trust in the sector. The Board made the decision to adopt the code from 1 April 2021. On 31 March 2024 we had two overdue gas safety checks. This may result in us not being compliant with the code at certain points during the coming year. We will report all non-compliance to the Regulator in line with their instructions.

### Compliance with Governance and Financial Viability Standard

The Association is registered with and regulated by the Regulator of Social Housing (RSH). Under a coregulation approach the onus is on each registered provider to self-regulate, assess, and scrutinise service provision and demonstrate clearly that services provided represent value for money.

The Accounting Direction 2022 has a requirement for providers to certify that they have complied with the Regulator's Governance and Financial Viability Standard within the narrative reporting. In addition to this certification, any areas of non-compliance should be disclosed and explained.

In August 2023 we made a self-referral to the Regulator as a result of several issues identified during the 2023/24 rent review process. These issues related to ground rent notices, the summary of tenants rights and obligations in relation to service charges, the historic inflation factor used to increase the rent for some of our shared ownership customers and the incorrect re-basing of rent on shared ownership resales. The Regulator confirmed that no action would be taken following the self-referral.



# Greatwell Homes Financial Statement for the Year Ended 31 March 2024

## Statement of Internal Control

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and conduct an annual review of the effectiveness of this system.

The process for identifying, evaluating, and managing the significant risks faced by the Association is on-going and has been in place throughout the period 1 April 2023 up to the date of approval of the report and financial statements and beyond. These internal controls act to provide reasonable assurance that planned corporate objectives are achieved. They also exist to give reasonable assurance that the financial and management performance information is reliable, and the Association's assets are safeguarded. However, the Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss.

Key elements of the systems of the control framework include:

- Board approved terms of reference and delegated authorities for Board, Committees and Executive Management Team.
- Clearly defined management responsibilities for the identification, evaluation, and control of significant risks.
- Robust strategic and business planning processes, which are stress tested and include detailed financial budgets and forecasts.
- Formal recruitment, retention, training, and development policies for all staff.
- Established authorisation and appraisal procedures for significant new initiatives and commitments.
- A robust approach to treasury management which is reviewed externally each year.
- Regular reporting to the appropriate committee on business objectives, targets, and outcomes.
- Board approved whistle blowing and fraud policies covering prevention, detection, and reporting of fraud.
- Regular monitoring of loan covenants and requirements for any new loan facilities.
- Robust business continuity plans in place which are tested annually including disaster recovery of IT systems

A fraud register is maintained and reviewed by the Audit and Risk Committee at each of its meetings. During 2023/24, there were two instances of fraud or attempted fraud reported. None of the instances resulted in any material loss to the company.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of Internal Control. The Board receives Audit and Risk Committee minutes and a report from its Chair. The Committee has received the Executive Management Team's annual review of the effectiveness of the system of internal control for the Association, and the annual report of the internal auditor, and has reported its findings to the Board.

## External Audit Assurance

The work of the external auditor, Beever and Struthers provides some independent assurance over the adequacy of the internal control environment. The Association receives a management letter from the external auditors which identifies any internal control weaknesses identified as part of their work on the audit of the financial statements. The Board itself and through the activities of the Audit and Risk committee has reviewed the outcome of external audit work and the external audit management letter.

## Statement of Internal Control continued

### Going Concern

Our business activities, our current financial position, and factors likely to affect our future development are set out within the Strategic Report. There is much uncertainty in these unprecedented times post pandemic, however, we have in place funding, which provides resources to finance committed reinvestment and development programmes, along with day-to-day operations. We have a long-term business plan that shows we can service the debt facilities whilst continuing to comply with lenders' covenants. We have performed many stress tests and outlined mitigations should they materialise.

On this basis, the Board has a reasonable expectation that Greatwell Homes has the 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. For this reason, it continues to adopt the going concern basis in the financial statements.

### Accounting Policies

The Association's principal accounting policies are set out on pages 56 to 65 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of costs; amortisation of deferred government grant; housing property depreciation; investment properties and the treatment of pensions.

### Effects of Material Estimates and Judgements Upon Performance

Preparation of the financial statements requires management to make significant judgements and estimates. The estimates and assumptions that can have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below.

- **Housing Property Categorisation**

The categorisation of housing properties is a significant judgement made by management. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals. The Association has determined that market rented properties are investment properties.

- **Impairment**

Management assesses the Association's housing properties for indicators of impairment at each balance sheet date. Where indicators exist, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. Judgements in assessing the level of a cash generating units and the recoverable amounts could lead to increases or decreases in the impairment provision. The impairment review at 31st March 2024 resulted in no impairment for the financial year.

### Statement of Internal Control continued

- Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of its depreciable assets at each reporting date based upon the expected utility of the assets. Uncertainty in these estimates relate to changes in decent homes standards, component failure or obsolescence and customer abuse or misuse. Any of these could lead to more frequent replacement of key components.

### Statement of Internal Control continued

- Defined Benefit Pension Obligations

Management's estimate of the Association's defined benefit pension obligations under the Local Government Pension Scheme and Social Housing Pension Scheme is based upon a number of critical underlying assumptions such as rates of inflation, mortality, discount rates, investment returns, and future salary increases. Variation in these assumptions may significantly impact upon the obligation amount and the annual defined benefit expenses (as shown in note 10). As at 31st March 2024, the Association had a SHPS (Social Housing Pension Scheme) defined benefit pension liability of £917k (2023: £801k) and a LGPS (Local Government Pension Scheme) defined benefit pension asset of £3,481k (2023: £2,838k). Further details are provided in note 10 to the accounts. The reports provided by the actuaries are based on asset valuations as at 31 March 2024.

- Provisions for Doubtful Debt

Management reviews the provision held against the risk of failure to recover current and former tenant rent and service charge arrears at each reporting date. The provision made has an impact upon the value of the current assets recognised at the reporting date and any change in value of the provision during the period is recognised as an operating cost in the statement of comprehensive income in the period. At 31st March 2024, the Association's provision for doubtful debt was £895k (2023 £782k).

### Disclosure of Information of Auditors

The Board Members who held office at the date of approval of this Board report, confirm that so far as they are each aware, there is no relevant audit information of which our auditors are unaware; and each Board member has taken all the steps that ought to have been taken as a Board member to make themselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

### Independent Auditors

A resolution to re-appoint Beever and Struthers as the organisation's auditors will be proposed at the forthcoming board meeting on the 25 of July 2024. Beever and Struthers have indicated their willingness to continue in office should the resolution concerning their reappointment be agreed at that meeting.

# Greatwell Homes Financial Statement for the Year Ended 31 March 2024

## Value for Money Assessment

The Finance and Value for Money (VFM) Framework is one of six “Working Well” frameworks underpinning the four core strategies of our Live Greatwell Corporate Plan 2022-25.

It sets out how we aim to remain financially viable in light of the challenging economic times and outlook and as we look to decarbonise our homes and business.

The purpose of the framework is to maintain our financial strength and embed value for money in everything we do. We will achieve this in the following areas:

Treasury Management	<ul style="list-style-type: none"> <li>• Have funds available at the lowest possible cost.</li> <li>• Minimise the cost of managing capital funds.</li> <li>• Ensure funding availability is aligned to our strategies.</li> <li>• Avoid restrictive covenants to ensure future activities are not unduly curtailed.</li> <li>• Keep refinancing risk within acceptable limits.</li> <li>• Keep the number of properties charged to lenders to a minimum to ensure future growth.</li> <li>• Comply with the Treasury Management Policy and control all risk.</li> </ul>
Income Management	<ul style="list-style-type: none"> <li>• Maintain existing margins and aim to maximise surplus levels where possible.</li> <li>• Invest in new and existing homes and services where funding allows.</li> <li>• Consider additional income streams where they are financially and/or socially beneficial and do not detract from the core business.</li> <li>• Collect income in an efficient manner, with support for those who need it.</li> <li>• Only write off income due where there is no realistic prospect of collection and/or it is not economically viable to pursue.</li> <li>• Let all our homes and as many garages as possible to maximise rental income.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Ensure procurement is supported by our financial and contract regulations</li> <li>• Carry out procurement in the most cost effective way</li> <li>• Ensure procurement provides good quality services and work at the most advantageous price</li> <li>• Ensure goods and service contracts offer the best possible value</li> <li>• Consider environmental impact and social value when procuring goods and services</li> </ul>
Financial Viability	<ul style="list-style-type: none"> <li>• Maintain Greatwell Homes long term financial stability and ensure our business plan is capable of withstanding stress scenarios</li> <li>• Manage cash flows to ensure the business has robust liquidity for its day to day operations and can release cash to invest in services and homes</li> <li>• Maximise value for money while meeting our corporate and social objectives</li> <li>• Comply with all our corporate and charitable status responsibilities</li> </ul>

## Value for Money Assessment continued

In applying our Finance and Value for Money Framework we have defined what success will look like:

- Co-creating VFM opportunities with customers.
- Investments providing an appropriate financial or social return.
- Reducing costs, creating efficiencies, and providing better quality in contracts and services.
- Creating social value or positive environmental impact in services we procure.
- Effective and compliant procurement and contract management.
- Embedding VFM in everything we do.
- Ensuring we have the right ESG reporting to make us an attractive investment.
- Ensuring we have robust liquidity for day to day operations, and cash to invest in services and homes.
- Ensuring we are fully compliant with all corporate and charitable status responsibilities.










We will use the VFM metrics incorporated in key and operational performance indicators (KPIs and OPI's) for customer satisfaction, social value and procurement to measure success.

## Value for Money Assessment continued

## Value for Money KPI's 2023/24

We used a suite of Key Performance Indicators (KPI's) to monitor our performance throughout the year and, where possible, benchmarked this against our Housemark peer group, showing our quartile position. Housemark is the leading data and insight company for the UK housing sector providing evidence based insights that drive efficiency and improve performance.

## Regulator of Social Housing (RSH) Metrics

Indicator	2023/24 Target	2023/24 Actual	2022/23 <sup>4</sup> Quartile Position	Direction Of Travel	Target 2024/25
Unit cost <sup>1</sup>	<£5,221	£4,930	2		£6,552
Reinvestment percentage	>6.06%	7.25%	3		7.81%
Gearing percentage	<31%	28.71%	2		35.00%
Return on capital employed (ROCE)	>2.71%	2.71%	2		3.10%
New supply delivered % (Social only)	N/A	0.65%	4		N/A
New supply delivered % (Non-Social)	N/A	0.06%	4		N/A
Operating Margin Social Housing Lettings	N/A	10.95%	3		N/A
Overall Operating Margin <sup>2</sup>	15.10%	14.87%	3		16.55%
Interest Cover EBITDA (MRI) (as per RSH VFM metrics calculation) <sup>3</sup>	>72%	131.46%	4		-59.00%

<sup>1</sup>Social housing unit cost increased compared to 2022/23 due to an increase in our cost base and limited growth in the number of homes to help absorb these costs increases. The outturn for the year, however, was better than our budgeted target for the period.

## Value for Money KPI's 2023/24 (continued)

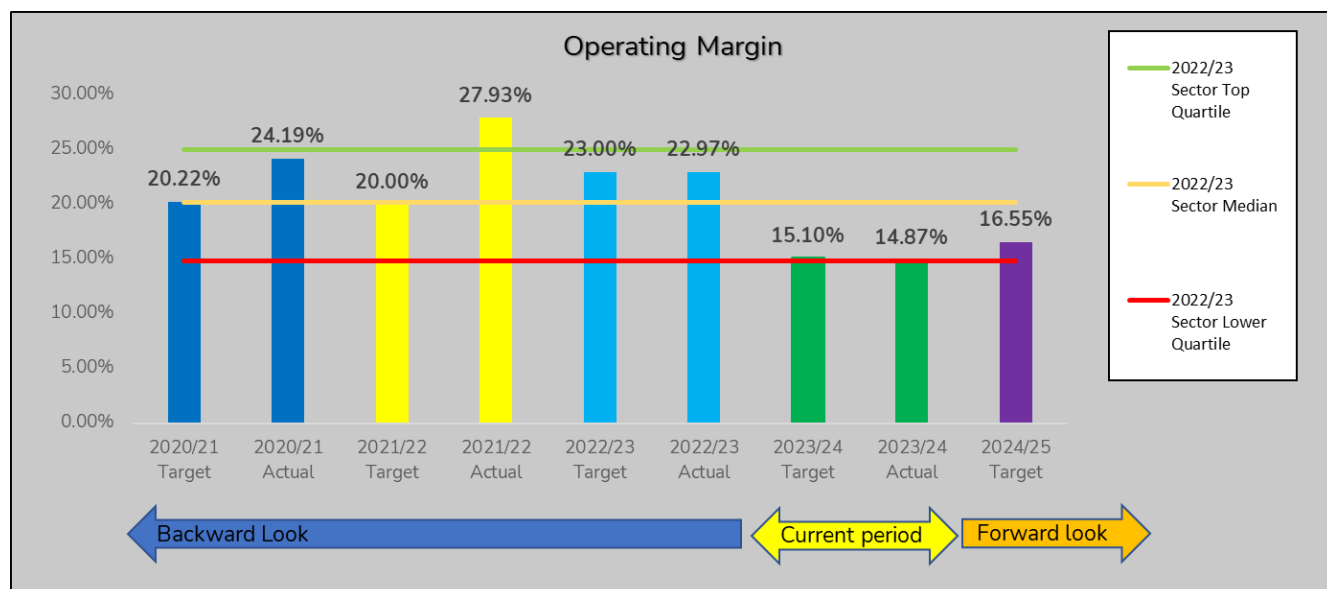
<sup>2</sup>The overall operating margin was slightly lower than target despite the actual operating surplus being higher. This was due to a proportionately larger increase in turnover.

<sup>3</sup>Interest Cover EBITDA MRI is impacted by the level of capital repairs costs relating to investment in current properties. For 2023/24 this was lower than anticipated mainly due to the timing of entering into contracts and for 2024/25 our budget for investment is high.

<sup>4</sup> 2022/23 is the latest benchmarking data available from Housemark.

- **Overall Operating Margin**

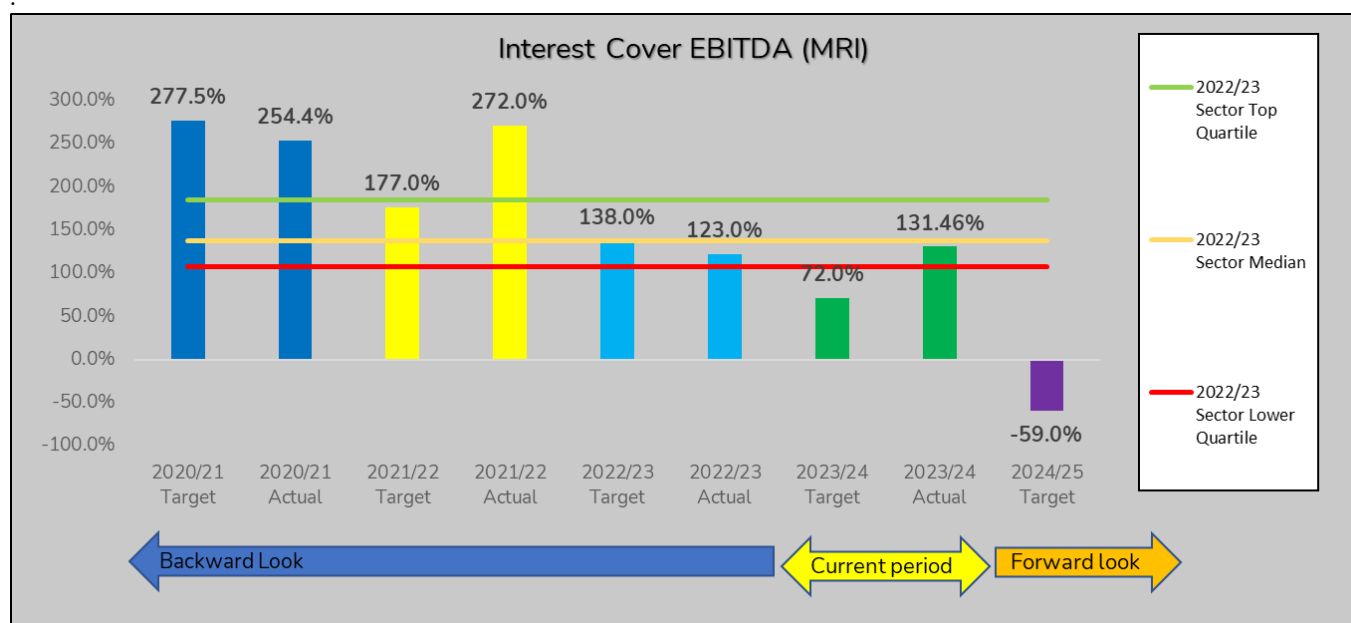
Our operating margin for 2023/24 has reduced compared to the previous year as the rent increase for most customers was capped at 7% and costs have risen including a higher inflationary increase. For the next financial year, we are looking to achieve a higher operating margin of 16.55%.



## Value for Money KPI's 2023/24 (continued)

- Interest Cover EBITDA MRI (as per RSH VFM metrics calculation)

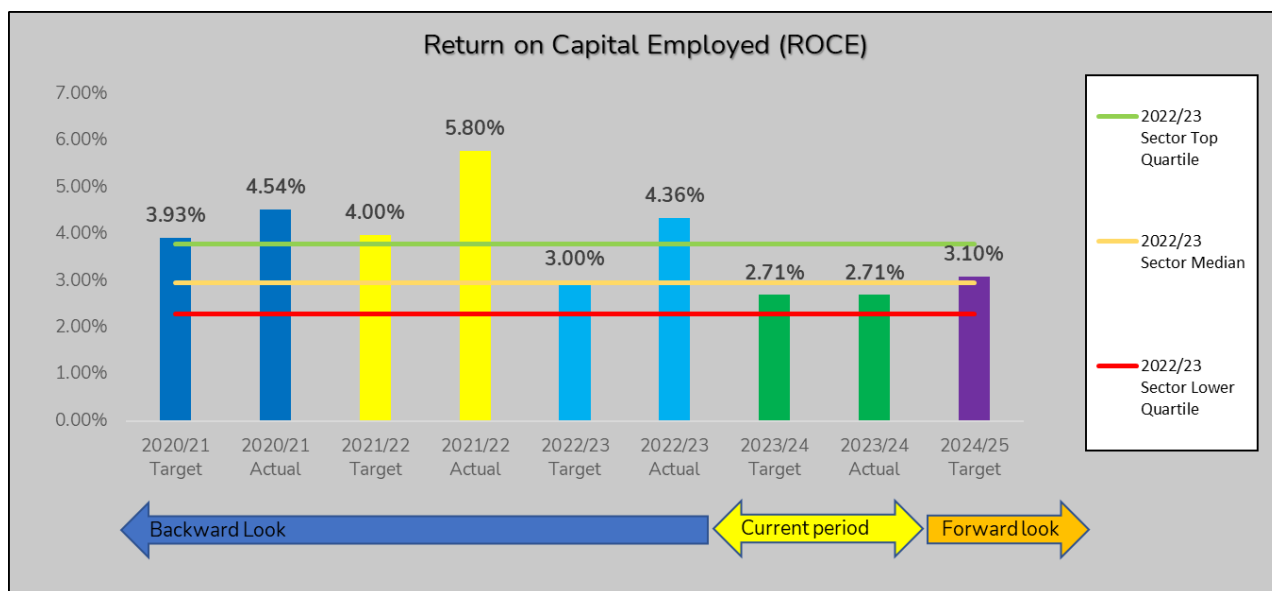
Our interest cover target for 2023/24 was >72% due to the high value of capitalised repairs. We achieved 131.46% which was higher than target as, due to timing of expenditure, we spent less than anticipated on capitalised repairs. The target for 2024/25 is very low due to the level of capitalised repairs. For 2023/24 we had a loan carve out which is not reflected in the RSH VFM definition. Our interest cover forecast, including the carve out, was 128%. For 2024/25 our loan agreements will no longer require us to achieve a minimum EBITDA MRI interest cover however we will still be measuring this in the value for money metrics





## Value for Money KPI's 2023/24 (continued)

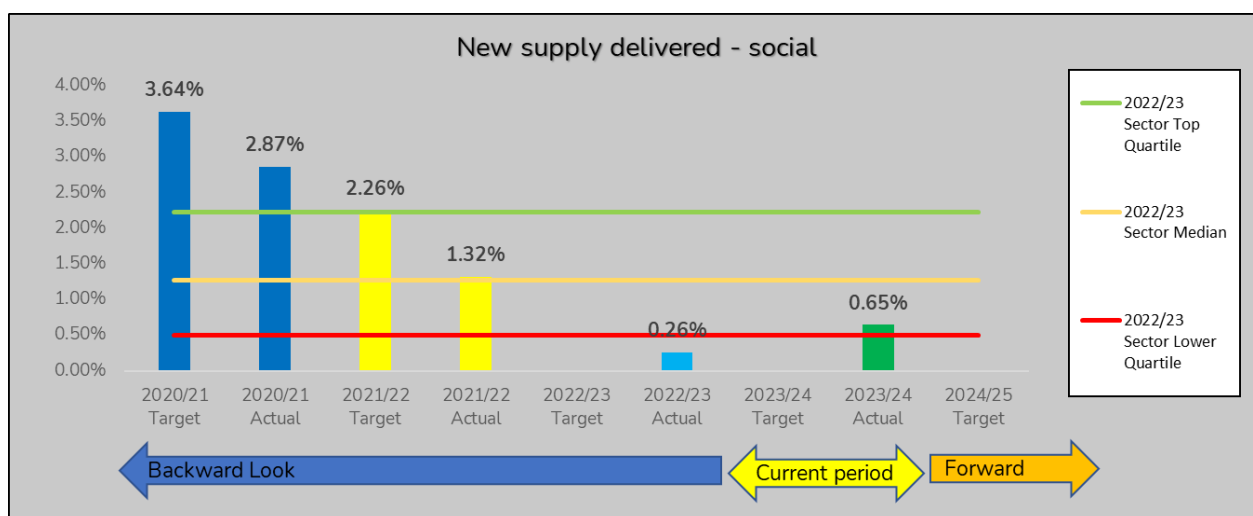
- Return on Capital Employed



Return of capital employed was lower than 2022/23 due to a reduction in operating surplus however we did achieve our target for the year.

- New supply delivered (Social only)

During 2023/24 we delivered a 0.65% increase in our social housing stock numbers, mid to lower quartile within the peer group, This equates to 33 new homes and was as expected as our development programmed slowed with the focus on investment in our existing homes. We have not set a target again for 2024/25 but anticipate 24 new homes will be delivered from contracted development schemes.



## Value for Money KPI's 2023/24 (continued)

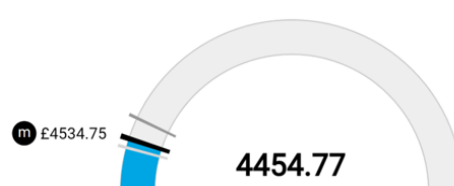
- **Headline Social Housing Cost per Unit**

We provide below information on how our social housing cost per unit compares with other Housing Associations in England who are members of Housemark and against our Housemark peer group which excludes London associations and those with more than 7,500 homes. This information relates to 2022/23 which is the latest available data for benchmarking headline financial information, the data coming from the September 2023 regulatory FVA return for annual accounts.

### Headline Social Housing Cost

Our total Cost per Unit (CPU) in 2022/23 was £4,455 which increased from £3,589 in 2021/22. This is lower than the median of Housing Associations across the country. Our costs are increasing as we are delivering more planned works and major improvements and also due to inflation

Headline social housing CPU (SS)



### Housemark HA and peer group

When comparing ourselves to 112 peers using Housemark data, our overall headline costs were lower than the median in 2022/23

Headline Social Housing CPU - Peer Group



### Social housing cost per unit breakdown by activity


Breaking this down further shows our social housing cost by service activity.

Social Housing Cost per Unit	Total	Housing Management	Maintenance	Major Repairs	Service Charges	All Others
2022/23 Result	£4,455	£ 1,354	£ 1,327	£ 1,394	£ 146	£ 235
2022/23 Quartile	2nd	3rd	3rd	4th	1st	3rd
2022/23 Peer Group Median	£4,531	£1,132	£1,322	£1,029	£513	£535
2023/24 Quartile	Benchmarking information will be made available on our website later in the year					

Although unit cost was higher than target, we still managed to fall within the second quartile in our peer group comparison. Due to the increase in major repairs spend our quartile position moved from second to fourth.

## Other KPI's

### Income Management

Indicator	2023/24 Target	2023/24 Actual	2023/24 Quartile Position	Direction of Travel	Target 2024/25
Current tenant arrears as a % annual rent debit net of Housing Benefit	2.50%	2.21%	2		2.50%

We have seen a steady increase in current tenant arrears since the historic low of 1.85% at the end of 2022/23 however these remained below the 2.5% target for the year. High inflation and the cost of living crisis continue to impact our customers and cost base.

## Other KPI's (continued)

### Property and Neighbourhood Services

Indicator	2023/24 Target	2023/2024 Actual	2023/24 Quartile Position	Direction Of Travel	Target 2024/25
% dwellings with a valid gas safety certificate <sup>1</sup>	100%	99.98%	2	↑	100%
Repairs completed at first visit as % repairs completed	94%	96.66%	N/A	↑	95%
Emergency Repairs completed in target as % repairs complete	99%	97.83%	N/A	↓	99%
Dwellings with a valid EICR <sup>2</sup>	100%	99.01%	2	↑	100%
Actions resulting from Fire Risk Assessments resolved within timescales <sup>3</sup>	100%	97.14%	N/A	↑	100%
Average days taken to complete routine repairs <sup>4</sup>	21	22.06	N/A	↓	21
% of rent loss due to voids	0.58%	0.46%	N/A	↓	0.58%
Average re-let time of properties <sup>5</sup>	25 days	21.29 days	1	↓	23 days

<sup>1</sup>At the end of March 2024 there were 2 overdue gas safety certificates and, where appropriate, legal proceedings had been instigated to gain access.

<sup>2</sup>The percentage of dwellings with a valid EICR certificate started the year at 92.47% following issues with contractor performance and has improved over the course of the year.

<sup>3</sup>During the year 2 actions were completed 1 day late due to the contractor being closed after Christmas and 1 action was late due to delays in the customer engaging to organise the work however all works have now been completed and there were no outstanding actions from Fire Risk Assessments on 31 March 2024.



<sup>4</sup>Issues sourcing materials in Q1 have affected the annual performance figure. Good performance for a large part of the remaining year has meant, at the year end, we missed the target by just over 1 day.

## Other KPI's (continued)

<sup>5</sup>Our Land and Property Disposal Policy enables us to consider disposal of a property when it becomes vacant if there is low demand and it is not economically viable to invest or if any of the following other criteria apply:

- The land/property has no clear potential to meet current or future housing and/or service delivery needs or for strategic development purposes.
- The income generated is not equivalent to that which could be achieved by disposal and subsequent investment of the capital receipt.
- The disposal may allow for estate redesign and layout issues to be addressed.
- The sale of the land would generate a financial return and has limited or no alternative use value and would not prejudice current and or future use of neighbouring land or property by Greatwell Homes.






### Staff

Indicator	2023/24 Target	2023/24 Actual	2023/24 Quartile Position	Direction Of Travel	2024/25 Target
Average no of sick days per employee	8	6.32	1		7.75
All staff turnover in the year	20%	19.31%	N/A		15%

Staff turnover continues to stabilize following the high levels experienced after the Covid Pandemic and average sick days, although increased compared to the prior year, remain below target.

## Other KPI's (continued)

### Customer

Indicator	2023/24 Target	2023/24 Actual	2023/24 Quartile Position	Direction Of Travel	2024/25 Target
Satisfaction with complaint handling <sup>1</sup>	90%	94.29%	N/A		90%
Percentage of customers satisfied with their last repair <sup>2</sup>	94%	93.20%			94%
Satisfaction with handling of ASB case	70%	77.06%			75%
Number of services changed, withdrawn, and implemented because of customer feedback <sup>3</sup>	16	20	N/A		18
Increase in customers using online services	250	335	N/A		250

<sup>1</sup>Customer satisfaction with complaint handling exceeded target for the year but was lower than in 2022/23 where we achieved 97.37%.

<sup>2</sup>There is a correlation between customer satisfaction with their last repair and number of days taken to complete routine repairs where there were problems sourcing materials in Q1 increasing the time taken to complete repairs with performance improving thereafter.

<sup>3</sup>During 2023-24 as a direct result of both formal and informal customer feedback, **20** services were made and these include:

- Revised re-charge invoices to ensure that breakdown of information is clear and concise description of items charged are outlined.
- Changed our process regarding compensation payments for temporary heaters and dehumidifiers to speed up payments to customers.
- Created a GIS mapping function for customers on our website.
- Implemented a Chatbot.
- Reviewed our website and better placed the translation and accessibility toolbar.
- Created a 'Consultation Guidelines' document for staff to improve process and customer experience of consultations undertaken.
- Worked with our out of hours provider and implemented speech analytics, which flags high risk works i.e. 'fire / gas leak' to manager who in turn now checks in with call-handler to ensure processes are fully adhered to.

## **Other KPI's (continued)**

To further build on this work, our Customer Voice Framework has been embedded within the organisation to capture all elements of the customer voice. The framework provides a structured approach on how we capture and analyse this information and more importantly what we then do with it. It ensures our services continue to be improved to meet the needs of our customers and offer value for money.

## **Tenancy Satisfaction Measures**

Tenancy Satisfaction Measures (TSMs) are designed to see how well landlords are doing at keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighbourhood management. The TSMs are grouped around these five themes.

During the Autumn of 2023 we carried out our first customer survey using the TSM's. Our results showed that 78% of customers living in low-cost rental accommodation were satisfied with the services provided by Greatwell Homes. The Results will be shared with the RSH and Greatwell Homes staff have a shared organisational objective to use the results of the 2023 survey to further improve customer satisfaction in 2024.

The survey will be carried out each year providing an opportunity to monitor customer satisfaction with our homes and services.

The table below shows Greatwell Homes results and how they compare nationally and regionally with other Providers who submitted their results to Housemark.

**Tenancy Satisfaction Measures (continued)**

Satisfaction	England			Central HAs <10k			Your result
	Quartile 3	Median	Quartile 1	Quartile 3	Median	Quartile 1	
Overall service from their landlord	63.0%	69.4%	77.9%	70.4%	76.4%	78.0%	78.0%
Overall repairs service	64.5%	71.0%	78.5%	71.4%	77.0%	79.6%	77.0%
Time taken to complete their most recent repair	60.0%	66.7%	75.3%	66.1%	75.3%	76.9%	77.5%
Home is well maintained	63.4%	69.1%	77.6%	71.7%	75.9%	78.3%	75.6%
Home is safe	69.4%	76.0%	82.0%	77.0%	80.1%	84.4%	78.0%
Landlord listens to tenant views and acts upon them	51.3%	58.4%	67.1%	58.4%	65.0%	67.4%	66.7%
Landlord keeps them informed about things that matter to them	62.7%	69.7%	76.1%	67.4%	73.0%	76.0%	73.9%
Landlord treats them fairly and with respect	69.4%	76.0%	82.1%	75.5%	78.9%	84.6%	78.9%
Landlord's approach to complaints handling	26.0%	33.3%	40.0%	35.9%	36.9%	43.7%	42.6%
Landlord keeps communal areas clean and well maintained	58.8%	65.4%	72.0%	60.5%	67.2%	69.5%	65.4%
Landlord makes a positive contribution to the neighbourhood	55.6%	62.5%	71.1%	57.2%	68.2%	72.7%	62.1%
Landlord's approach to handling ASB	50.5%	57.0%	64.0%	52.5%	58.7%	66.2%	58.7%

In summary, it is pleasing to see that we are in the first or second quartile for 10 out of the 12 TSM perception measures.

A particular highlight is being in the first quartile for overall satisfaction in services provided to our customers.

Of the two measures where we are in the third quartile, namely satisfaction with 'neighbourhood contribution' and 'communal cleaning' proactive work is being undertaken to better understand why our customers have recorded lower satisfaction in these areas including promoting initiatives that we are undertaking within our neighbourhoods to further improve our communities.

In addition, utilising the feedback from our customers relating to the satisfaction with our repairs service, we are undertaking a co-creation exercise via in-person events and surveys to gain deeper insight into our customers experience of our service offer, with a view to further tailoring our service.



## Procurement

With the culture of procurement as 'facilitator' now embedded at Greatwell Homes, the Procurement Manager is engaged at the earliest opportunity, when a procurement need is identified. This is reinforced by our Finance and Contract Regulations and Procurement Procedure so that the potential for VFM savings can be identified. Being a multi-faceted function, procurement has been able to adapt and develop both cashable and non-cashable savings which are becoming harder to achieve in the current economic climate.

While non-cashable savings are less immediate, tangible and quantifiable they do nonetheless create efficiencies and increase value to the benefit of Greatwell Homes and our customers.

Greatwell Homes has also accommodated the shift, in economic terms, to 'cost avoidance to help to protect spend against increasing inflation and rising costs.

Through our Finance and Contract regulations Greatwell Homes seeks to balance cost, compliance, best practice, internal technical knowledge, internal capacity, risk and contract management whilst abiding with the government procurement threshold regulations.

Non-cashable savings include:

- Route to Market options
- Specification
- Contract length

Where relevant we involve customers in procurement exercises and provide evaluation training for interested customers. We also encourage local SMEs to submit bids and provide guidelines to aid local contractors with little experience in tendering.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### Value for Money Assessment continued

#### Value for Money savings and efficiencies

During the year we made the following efficiency gains against a Board approved target of £100k for on-going savings:

Quarter	Service	Saving/ Efficiency	On-going saving	One-off saving	Comment
<b>Q1 2023/24</b>	HALA – Legal			£2,067	Reduced no. of printers Versus agreed budget
	HALA – Training			£1,660	
	Procurement of New Printers			£2,796	
	Procurement Employers Agent			£2,500	
<b>Q2 2023/24</b>	HALA – Legal			£3,622	
	IT _ DocuSign Renewal		£2,000		
	Lettings – Decorating Packs			£2,880	
<b>Q3 2023/24</b>	IT – DNS Server		£2,724		Annual versus Monthly
	IT – Change of Supplier		£2,106		IL Officer Salary
	Housing & Neighbourhoods		£11,848		
	HALA - Legal			£4,388	
<b>Q4 2023/24</b>	Facilities		£3,121		Cleaning Contract Contract renegotiation Combine loan security valuations
	IT – Citrix		£264		
	Finance			£2,040	
<b>Total</b>			<b>£22,063</b>	<b>£21,953</b>	
	Covering Vacant Establishment Posts			£156,000	
	Covering Maternity Leave			£73,000	
<b>Grand Total</b>			<b>£22,063</b>	<b>£250,953</b>	

\* HALA – Housing Association Legal Alliance of which Greatwell is a member

## Value for Money Assessment continued

### Social Return on Investment

HACT (Housing Association Charitable Trust) has undertaken a social value assessment of Greatwell Homes placemaking activities such as estate action days, estate walkabouts, debt and money advice, partnership working and apprenticeships.

HACT used the UK Social Value Bank (UKSVB) and available data in making their assessment. Where data was not an exact match to the UKSVB evidence requirements alternative data was used as proxies to provide an indicative social value created through Greatwell Homes activities. The total of the actual and indicative social value created was £300,150.

### Future Prospects

2024/25 will be year 3 of our Live Greatwell Corporate plan where we will be looking to deliver actions identified in our four Live Greatwell strategies. There are a total of 49 actions as outlined below:

Strategy	Business Unit	Action
Live Green	Corporate Services	<ul style="list-style-type: none"> <li>Identify and deliver projects to aid liE accreditation</li> <li>Explore and work towards achieving liE Green accreditation</li> </ul>
	Customer Excellence	<ul style="list-style-type: none"> <li>Increase customer awareness and engagement with green initiatives</li> <li>Identify projects to increase recycling/enhance bio diversity</li> </ul>
	Finance, Treasury & IT	<ul style="list-style-type: none"> <li>Switch energy providers for communal gas</li> </ul>
	Property Investment, Sales and Lettings	<ul style="list-style-type: none"> <li>Review specification to meet aspiration of net zero on new development sites</li> <li>Plan and deliver a pilot retrofit at Charles Robinson Court</li> <li>Monitor and evaluate decarbonisation investment in our properties</li> <li>Collect and assess EPC data to inform future investment programmes</li> <li>Investigate opportunities for green energy generation</li> <li>Explore potential funding programmes to deliver green energy ambitions</li> </ul>
	Property Services and Compliance	<ul style="list-style-type: none"> <li>Consider options for renewable/low carbon heating</li> </ul>
Live Happy	Corporate Services	<ul style="list-style-type: none"> <li>Develop smarter KPIs and OKRs for 2025+</li> <li>Implement and on-going review of leadership development programme</li> <li>Review our pension offer to employees</li> <li>Improve our customer portal</li> <li>Create the new Greatwell Homes website</li> <li>Use data to shape service delivery</li> <li>Explore option to bring payroll services in-house</li> </ul>
	Customer Excellence	<ul style="list-style-type: none"> <li>Ensure compliance with new TIA standard</li> <li>Deliver and implement the Customer Governance Model</li> <li>Start up and initiation of Customer Psychographic Segmentation Model</li> </ul>
	Finance, Treasury & IT	<ul style="list-style-type: none"> <li>Implement system to transfer service charges from multiple spreadsheets</li> </ul>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

	Housing and Neighbourhood Services	<ul style="list-style-type: none"> <li>• Ensure compliance with the new Neighbourhood and Community Standard</li> <li>• Ensure compliance with new Tenancy Standard</li> </ul>
	Property Services and Compliance	<ul style="list-style-type: none"> <li>• Ensure compliance with new Safety and Quality Standard</li> </ul>
<b>Live Proud</b>	Customer Excellence	<ul style="list-style-type: none"> <li>• Demonstrate value of feedback via customer voice framework</li> </ul>
	Housing and Neighbourhood Services	<ul style="list-style-type: none"> <li>• Establish value for money of in-house estates maintenance and cleaning service</li> <li>• Deliver two community led initiatives</li> <li>• Implement and track participatory budget for environmental improvements</li> <li>• Complete accreditation process for DAHA (Domestic Abuse Housing Alliance)</li> <li>• Deliver the new estate inspections for Housing and Places</li> </ul>
	Property Investment, Sales and Lettings	<ul style="list-style-type: none"> <li>• Increase the number of furnished tenancies</li> <li>• Deliver phase 2 of the Environmental Improvements Programme</li> <li>• Continue the development at Dappletree Court</li> </ul>
<b>Live Safe</b>	Property Investment, Sales and Lettings	<ul style="list-style-type: none"> <li>• Complete Keystone migration to CX Assets</li> <li>• Work with Rentplus on new build housing sites</li> <li>• Progress proposals for sites acquired through land rationalisation</li> <li>• Undertake stock condition surveys to ensure data held on 80% of stock is less than 5 years old</li> <li>• Improve broadband connectivity in blocks to full fibre</li> </ul>
	Finance, Treasury & IT	<ul style="list-style-type: none"> <li>• Complete preparations for 2025 digital switchover</li> </ul>
	Housing and Neighbourhood Services	<ul style="list-style-type: none"> <li>• Introduce proactive safeguarding by understanding our customers through better use of data</li> </ul>
	Property Services and Compliance	<ul style="list-style-type: none"> <li>• Seek out efficiencies and/or savings in gas compliance works</li> <li>• Explore IOT (Internet of Things) options and costs and consider business case for budget setting</li> <li>• Undertake a review of the repairs service with customers</li> <li>• Implement a programme of property MOT's and use data to better understand our properties</li> <li>• Ensure adherence to Decent Homes 2 standard once published</li> <li>• Devise an approach to manage HHSRS hazards (Housing Health and Safety Ratings System)</li> <li>• Roll out property health and safety cards for all properties</li> </ul>

As well as the Live Greatwell actions as detailed above there are also 18 resource intensive business as usual actions.

## Value for Money Assessment continued

We will continue to remain flexible and adjust our plans to deal with challenges and take advantage of opportunities as they arise.

In October 2023 the Board had a strategic session on Value for Money. As well as identifying existing areas contributing to our overall value for money activities a number of opportunities were also identified at this session to take forward. These included:

- Introduce a trading account for services provided in-house – in 2024/25 we will review the efficiency of our cleaning and estates maintenance services
- Participate in the full Housemark cost benchmarking exercise – we are planning to submit our data for 2023/24
- Use Tenant Satisfaction Measures to drive service improvement – we have an organisation wide objective to use the 2023 survey results to improve results in 2024
- Implement the IT Road Map - an external review has provided clarity on the action to be taken to progress implementation of the Road Map
- Value for Money training for all staff – this is included in the corporate training programme for 2024/25
- Embed a Value for Money culture throughout the organisation – senior leaders within the organisation have participated in two culture based workshops to be rolled out to operational managers during 2024/25

## Value for Money conclusion

Value for money is more than just being low cost; it is about achieving better quality and a social return on investment through better outcomes for our customers and communities. Delivering value for money helps us to achieve long term financial sustainability by:

- Operating within financial and contract regulations
- Ensuring every member of staff understands and contributes to value for money
- Monitoring the Regulator of Social Housing's VFM metrics
- Setting targets and monitoring Key Performance Indicators
- Use the Transforming our Future Programme and IT Road Map to assess technology to help us work more efficiently
- Logging our VFM activity and setting targets for cashable savings
- Reviewing the efficiency and effectiveness of our services

## Board's Responsibilities in Respect of Financial Statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the Income and Expenditure for the period of account.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards 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.

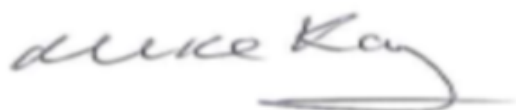
The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

**The Board's Strategic Report was approved on 27 July 2024 and signed on its behalf by:**



**Mike Kay**  
Chair



**Julie Robinson**  
Company Secretary

## Report of the Independent Auditor

### Opinion

We have audited the financial statements of Greatwell Homes Limited (the Association) for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Equity (Reserves), Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. 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 the Association’s income and expenditure and the Association’s 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.

## Report of the Independent Auditor (continued)

### 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 Strategic Report, 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, except to the extent otherwise explicitly stated in our report, 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 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:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate 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.



## Report of the Independent Auditor (continued)

### Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 45, 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 have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, 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.

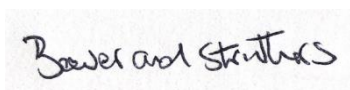
## Report of the Independent Auditor (continued)

- 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 and fraud 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 nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to 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.

### Use of our report

This report is made solely to the Association's members as a body, 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's members 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 and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



**Beever and Struthers, Statutory Auditor**

**One Express**

**1 George Leigh Street**

**Ancoats**

**Manchester**

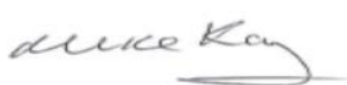
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**Date: 29 September 2024**

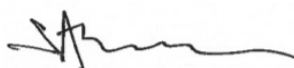
## Greatwell Homes Limited - Statement of Comprehensive Income

	Notes	Year Ended 31 Mar 2024 £'000	1 Year Ended 31 Mar 2023 £'000
Turnover	2	29,927	28,450
Operating expenditure and Cost of Sales	2	(25,436)	(22,945)
Gain on disposal of fixed assets	5	288	579
Increase in valuation of investment properties	12	(41)	431
<b>Operating surplus</b>		<b>4,738</b>	<b>6,515</b>
Interest receivable	6	269	244
Interest payable and financing costs	6	(2,835)	(4,910)
<b>Surplus before tax</b>	7	<b>2,172</b>	<b>1,849</b>
Taxation		0	0
<b>Surplus for the year after tax</b>		<b>2,172</b>	<b>1,849</b>
<b>Other comprehensive income</b>			
Actuarial gain in respect of pension schemes	10	182	1,378
<b>Total comprehensive income for the year</b>		<b>2,354</b>	<b>3,227</b>

The financial statements on pages 51 to 55 were approved and authorised for issue by the Board on 25 July 2024 and were signed on its behalf by:



Mike Kay  
Chair



Simon Brooksbank  
Vice Chair

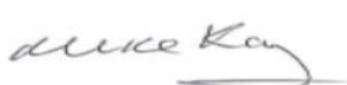


Julie Robinson  
Company Secretary

**Greatwell Homes Limited - Statement of Financial Position**

	Notes	As at 31 Mar 2024 £'000	As at 31 Mar 2023 £'000
<b>Fixed Assets</b>			
Tangible fixed assets	11	157,197	146,243
Investment Properties	12	9,161	8,480
		<u>166,358</u>	<u>154,723</u>
<b>Current Assets</b>			
Stock	13	1,176	467
Trade and Other debtors	14	1,303	1,730
Investments	15	30	30
Cash and Cash equivalents	16	8,273	9,161
		<u>10,782</u>	<u>11,388</u>
<b>Less Creditors:</b> amounts falling due within one year	17	<u>(5,572)</u>	<u>(5,061)</u>
<b>Net Current assets</b>		5,210	6,327
Pension assets	10	3,481	2,838
<b>Total assets less current liabilities</b>		175,049	163,888
<b>Creditors:</b> amounts falling due after more than one year	18	(80,945)	(72,254)
Pension liabilities	10	(917)	(801)
<b>Total net assets</b>		<u><u>93,187</u></u>	<u><u>90,833</u></u>
<b>Reserves</b>			
Income and expenditure reserve		93,187	90,833
Non-equity share capital		-	-
<b>Total Reserves</b>		<u><u>93,187</u></u>	<u><u>90,833</u></u>

The financial statements on pages 51 to 55 were approved and authorised for issue by the Board on 25 July 2024 and were signed on its behalf by:



Mike Kay  
Chairman



Simon Brooksbank  
Vice Chair



Julie Robinson  
Company Secretary

The notes on pages 56 to 89 form an integral part of these accounts.

## Greatwell Homes Limited - Statement of Changes in Reserves

	Income and Expenditure Reserve £'000
<b>Balance as at 1 April 2022</b>	<b>87,606</b>
Surplus/(deficit) for the year after tax	1,849
Other comprehensive income for the year	1,378
<b>Balance as at 31 March 2023</b>	<u><u>90,833</u></u>
Surplus/(deficit) for the year after tax	2,172
Other comprehensive income for the year	182
<b>Balance as at 31 March 2024</b>	<u><u>93,187</u></u>

The notes on pages 56 to 89 form an integral part of these accounts.

**Greatwell Homes Limited - Statement of Cash flows**

	Notes	Year ended 31-Mar-24 £'000	Year ended 31-Mar-23 £'000
<b>Net cash generated from Operating Activities</b>	note i	9,002	9,099
<b>Cash flow from investing activities:</b>			
Purchase of tangible fixed assets	11	(15,932)	(7,867)
Purchase of investment properties	12	(722)	-
Purchase of tangible fixed assets-Other	11	(415)	(997)
Proceeds from sale of tangible fixed assets-RTB/RTA	5	1,069	2,179
Proceeds from receipt of grants	19 & 20	3,645	36
		<b>(12,355)</b>	<b>(6,649)</b>
<b>Cash flow from financing activities:</b>			
Interest received	6	269	244
Interest paid	6	(2,804)	(4,875)
Loans Repaid	28	-	(19,000)
New long-term loan financing	28	5,000	-
<b>Net cash inflow(outflow) from financing activities</b>		<b>2,465</b>	<b>(23,631)</b>
<b>Net change in cash and cash equivalents</b>		<b>(888)</b>	<b>(21,181)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>9,161</b>	<b>30,342</b>
<b>Cash and cash equivalents at end of the year</b>	16	<b>8,273</b>	<b>9,161</b>

The notes on pages 56 to 89 form an integral part of these accounts.

## Consolidated statement of cash flow continued

### Note i

	Notes	Year ended 31-Mar-24 £'000	Year ended 31-Mar-23 £'000
<b>Cashflow from Operating activities</b>			
Surplus for the year	SOCI	2,172	1,849
<b>Adjustment for non-cash items:</b>			
Depreciation of Tangible fixed assets	11	5,120	4,955
Decrease/(increase) in stock	13	(709)	175
Decrease/(increase) in Trade and other debtors	14	427	(96)
(Decrease)/Increase in trade and other creditors	17 & 18	620	(555)
Pension costs less contributions payable	10	(345)	(99)
Carrying amount of tangible fixed assets disposals	11	272	907
(Gain)/loss from adjustment in fair value of investment properties	12	41	(431)
<b>Adjustments for investing or financing activities:</b>			
Proceeds on disposal of tangible fixed asset	5	(1,069)	(2,179)
Government grants utilised in the year	19	(93)	(93)
Increase in investments	15	0	0
Interest payable	6 & 29	2,835	4,910
Interest received	6	(269)	(244)
<b>Net cash generated from operating activities</b>		<b>9,002</b>	<b>9,099</b>

The notes on pages 56 to 89 form an integral part of these accounts.

## Notes to the financial statements for the year ended 31 March 2024

### Legal Status

Greatwell Homes Limited is incorporated in England and Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Housing Association. The registered office is Unit 7 Midlands Business Units, Finedon Road, Wellingborough, NN8 4AD. Greatwell Home's principal activity is to provide social housing.

### 1. Principal Accounting Policies

#### Basis of Accounting

The Association's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in sterling £'000 for the year ended 31 March 2024.

The Association's financial statements have been prepared in compliance with FRS 102. The Association meets the definition of a public benefit entity (PBE).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Going concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the base case business plan updated for 2024/25 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

#### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.



## Notes to the financial statements (continued)

- a. **Development expenditure.** The Association capitalises development expenditure in accordance with the accounting policy described on page 45. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- b. **Categorisation of housing properties.** The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals. The Association has determined that market rented properties are investment properties.
- c. **Impairment.** The Association considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic, or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Association also considers expected future performance of the asset. See note 11 for more information. Any impairment loss is charged to the Statement of comprehensive Income.

Impairment is recognised where carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Association performs impairment tests based on a fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arms-length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cashflow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Association is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

## Notes to the financial statements (continued)

The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level. The Association has not identified any properties in the period with an impairment liability.

- d. **Lease accounting.** Whether the risks and rewards of ownership in relation to individual leases indicator that it should be accounted as a finance lease or an operating lease. The carrying value of finance leases at 31 March 2024 was nil.

Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful economic lives considering residual values, where appropriate.
- b. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets at 31 March 2024 was £157.2m.
- c. **Revaluation of investment properties.** The Association carries its investment properties at fair value, with changes in fair value being recognised in The Statement of Comprehensive Income. The Association engaged independent valuation specialists to determine fair value at the reported period date. The valuer used a valuation technique based on a discounted cashflow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 12. The carrying value of investment properties as at 31 March 2024 was £9m.
- d. **Goodwill and other intangible assets.** The Association establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory, or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Where, in exceptional circumstances, the useful life of goodwill cannot be determined, the life will not exceed 10 years. The carrying value of goodwill and other intangible assets as at 31 March 2024 was nil.
- e. **Intangible fixed assets.** Intangible fixed assets are amortised over their useful lives considering 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. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered.

## Notes to the financial statements (continued)

- f. **Pension and other post-employment benefits.** The costs of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases, and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 10.

### Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from Local Authorities and the Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales and are recognised on legal completion.

### Support income and costs including Supporting People income and costs (SP)

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note.

Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

### Service charges

Service charge income and costs are recognised on an accrual basis. The Association's variable service charges are on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors, this is referred to as a sinking fund.

## Notes to the financial statements (continued)

### Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

### Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

### Taxation

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

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Association's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### Value Added Tax

The Association charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

## Notes to the financial statements (continued)

### Tangible fixed assets and depreciation

#### Housing Properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. For mixed tenure housing properties, costs are allocated in the following way:

Freehold land and shared ownership properties are not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Component	Years
Adaptations	10
Bathroom	30
Electric Shower	15
Boilers	15
Communal Equipment	5
Electrical Wiring	30
Enveloping	50
Heating Systems	30
Kitchens	20
Lifts	25
Property	75
Roofs	60
Windows and Doors	20
Fire Doors	30
Air Cooler	15
Smoke/Heat/CO detectors	10
External works	30

## Notes to the financial statements (continued)

The Association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

Component	Years
Fixtures, fittings, and equipment	3
IT Equipment	3
Estate capital improvements	30

### Low cost home ownership properties

The costs of low-cost home ownership properties are split between current and tangible fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a tangible fixed asset and subsequent sales treated as sales of fixed assets/ property sales in operating profit.

### Intangible fixed assets

Intangible assets are stated at cost, less accumulated amortisation. Amortisation is charged on a straight-line basis over the expected economic useful life of the asset as follows:

### Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

### Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

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.

## Notes to the financial statements (continued)

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

### Investment property

Investment property includes commercial and other properties not held for social benefit of the Association. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income. There are no restrictions on realisation or remittance of income or disposal proceeds.

### Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

### Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

### Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable 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.

### Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

## Notes to the financial statements (continued)

### Social Housing Grant (SHG) and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

### Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

### Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

### Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Statement of Financial Position date where there is no discretion to avoid or delay the expenditure.

The Association makes a provision for rental arrears, which are considered to be non-recoverable. The full value of former tenant debt is provided for. The provision for current tenant debt is calculated based upon the value of the debt.

### Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.



## Notes to the financial statements (continued)

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) or 11.8(bA) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.
- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
  - Fair value with changes in fair value recognised in the Statement of Comprehensive Income if the shares are publicly traded or their value can otherwise be measured reliably, and
  - At cost less, impairment for all other such investments.

### Financial instruments held by the Association are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

### Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- a) The best evidence of fair value is a quoted price in an active market.
- b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- c) Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

### Loans

All loans held by the Association are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

## Notes to the financial statements (continued)

### Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

The following financial instruments are assessed individually for impairment:

- a) All equity instruments regardless of significance; and
- b) Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped based on similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 2 Particulars of Turnover, cost of sales, operating expenditure, and operating surplus

2024

	Turnover	Cost of Sales	Operating Expenditure	Additional items	Operating Surplus
	£'000	£'000	£'000		£'000
<b>Social Housing lettings (note 3a)</b>	27,029		(24,070)		2,959
<b>Other social housing activities</b>					
First Tranche low cost home ownership sales	782	(485)			297
Charges for support services	165		(310)		(145)
VAT shelter Income	756		(367)		389
<b>Activities other than social housing</b>					
Lettings (note 3b)	1,195		(204)		991
<b>Other</b>					
Gain on disposal of fixed assets				288	288
Increase / (decrease) in valuation of investments				(41)	(41)
<b>Total</b>	<b>29,927</b>	<b>(485)</b>	<b>(24,951)</b>	<b>247</b>	<b>4,738</b>

Greatwell Homes Financial Statement for the Year Ended 31 March 2024

2

Particulars of Turnover, cost of sales, operating expenditure, and operating surplus

	2023				
	Turnover	Cost of Sales	Operating Expenditure	Additional items	Operating Surplus
	£'000	£'000	£'000		£'000
<b>Social Housing lettings (note 3a)</b>	25,224	-	(21,074)	-	4,150
<b>Other social housing activities</b>					
First Tranche low cost home ownership sales	1,368	(810)	-	-	558
Charges for support services	114	-	(298)	-	(184)
VAT shelter Income	648	-	(408)	-	240
<b>Activities other than social housing</b>					
Lettings (note 3b)	1,096	-	(355)	-	741
<b>Other</b>					
Gain on disposal of fixed assets	-	-	-	579	579
Increase / (decrease) in valuation of investments	-	-	-	431	431
<b>Total</b>	<b>28,450</b>	<b>(810)</b>	<b>(22,135)</b>	<b>1,010</b>	<b>6,515</b>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 3a. Particulars of turnover and operating expenditure from social housing lettings

	General Housing	Supported Housing And Housing For Older People	Low Cost Home Owner ship	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Rent receivable net of identifiable service charges and net of voids	23,428	1,103	1,809	-	26,340	24,641
Service charge Income	247	303	46	-	596	490
Amortised government grants	93				93	93
<b>Total Turnover from Social Housing Lettings</b>	<b>23,768</b>	<b>1,406</b>	<b>1,855</b>	<b>-</b>	<b>27,029</b>	<b>25,224</b>
<b>Operating expenditure</b>						
Management	6,515	351	732	-	7,598	6,975
Service charge costs	358	365	7	-	730	753
Routine Maintenance	6,992	267	-	-	7,259	6,174
Planned Maintenance	1,083	16	-	-	1,099	664
Major Repairs expenditure	-	-	-	2,059	2,059	1,864
Bad Debt	283	-	-	-	283	197
Dep'n of Hsg Properties	4,198	350	-	-	4,548	3,951
Lease Costs	339	27	1	126	493	496
Total Operating Expenditure on Social Housing Lettings	19,768	1,376	740	2,185	24,069	21,074
<b>Operating Surplus/(deficit) on Social Housing Lettings</b>	<b>4,000</b>	<b>30</b>	<b>1,115</b>	<b>(2,185)</b>	<b>2,960</b>	<b>4,150</b>
<b>Void Losses</b>	<b>102</b>	<b>8</b>	<b>20</b>	<b>-</b>	<b>130</b>	<b>146</b>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 3b. Turnover from activities other than social housing

	2024	2023
	£'000	£'000
<b>Lettings</b>		
Market Rent	357	305
Garages / Commercial	838	791
<b>Other</b>	<u>1,195</u>	<u>1,096</u>

# Greatwell Homes Financial Statement for the Year Ended 31 March 2024

## 4. Accommodation owned, managed and in development

	2024		2023	
	No. of properties		No. of properties	
	Owned	Managed	Owned	Managed
<b>Social Housing</b>				
<u>Under development at end of year:</u>				
General needs housing social rent	21	-	-	-
General needs housing affordable rent	35	-	-	-
Supported housing	57	-	-	-
Intermediate rent	-	68	-	53
Market Rent	5	-	-	-
Low-cost home ownership	31	-	-	-
	<b>149</b>	<b>68</b>	<b>-</b>	<b>53</b>
<u>Under management at end of year:</u>				
General needs housing social rent	4,076	-	4,076	-
General needs housing affordable rent	483	-	461	-
Supported housing				-
Housing for older people	225	-	248	-
Intermediate rent	44	62	44	74
Low-cost home ownership	262		249	-
	<b>5,090</b>	<b>62</b>	<b>5,078</b>	<b>74</b>
At the beginning of the year	5,078	74	5,089	75
Increase / (decrease) in units	12	(12)	(11)	(1)
At the end of the year	5,090	62	5,078	74
<b>Non-Social Housing</b>				
<u>Under management at end of year:</u>				
Market rented	36	-	33	-
<b>Total</b>	<b>5,126</b>	<b>62</b>	<b>5,111</b>	<b>74</b>

**5. Gain on disposal of property, plant and equipment (fixed assets)**

	Right to Buy/Acquire	Shared Ownership Staircasing	Other	2024	2023
	£000	£000	£000	£000	£000
Proceeds of sales	1,057	12	-	<b>1,069</b>	2,179
Less: Costs of sales	(145)	(5)	(1)	<b>(151)</b>	(912)
Less: Clawback payable NNC	(630)	-		<b>(630)</b>	(688)
	<b>282</b>	<b>7</b>	(1)	<b>288</b>	579



## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 6. Net Interest

	2024 £000	2023 £000
<i>Interest receivable and similar income</i>		
<b>On financial assets measured at amortised cost:</b>		
Interest receivable from current accounts	136	244
On Defined Benefit Pension Scheme:		
Expected return on plan assets LGPS	430	-
Interest on scheme liabilities LGPS	(297)	-
	269	244
<i>Interest payable and financing costs</i>		
<b>On financial liabilities measured at amortised cost:</b>		
On loans repayable within five years	1,408	1390
On loans wholly or partly repayable in more than five years	1,397	2,008
Break costs payable on the early repayment of fixed rate debt	-	1,527
Grant received towards costs	(22)	(22)
Costs associated with financing	22	22
	2,805	4,925
<b>On defined benefit pension scheme</b>		
Expected return on plan assets LGPS	-	(254)
Expected return on plan assets SHPS	(186)	(174)
Interest on scheme liabilities LGPS	-	220
Interest on scheme liabilities SHPS	216	193

**6. Net Interest (Continued)**

**On financial liabilities measured at fair value**

Fair value loss on derivative financial instruments	-	-
Less: Interest capitalised on housing properties under construction	-	-
	<u>2,835</u>	<u>4,910</u>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 7. Surplus on ordinary activities

	2024	2023
	£'000	£'000
The operating surplus is stated after charging: -		
Auditors' remuneration (excluding VAT):		
Audit of financial statements	25	21
Operating lease rentals:		
- Vehicles	490	436
- Land and Buildings	240	253
- Office equipment	-	-
Depreciation of housing properties	4,548	3,951
Depreciation of other fixed assets	712	1,003

### 8 Key management personnel remuneration

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £525.1k.

Remuneration for executive directors for the year ended 31 March 2024:

2024	2024	2024	2024	2023
Basic Salary £000	Benefit in Kind £000	Emp' er Pension £000	Total £000	Total £000
378.9	4.3	78.5	461.7	579.9

Joanne Savage was the highest paid executive in the period to 31 March 2024 and her remuneration was £191,863. Joanne is a member of the SHPS defined contribution pension scheme, the details of which are reported in note 10. There were no enhanced benefits to her pension contributions.

**8 Key management personnel remuneration (continued)****Members of the Board**

Non executive Board member remuneration for the year ended 31 March 2024:

Name	2024	2024	2024	2024	2024	2023
	Salary	Benefits in Kind	E'er Pen	E'er NIC	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
John Lewis – Chair (until 14 September 2023)	-	-	-	-	-	-
Mike Kay – Chair (from 14 September 2023)	5.6	0.7	-	-	6.3	-
Simon Brooksbank – Vice Chair	7.3	1.5	-	-	8.8	7.2
Cheryl Armatrading	5.0	-	-	-	5.0	5.0
Martin Lord	5.0	-	-	-	5.0	5.0
David Beale	5.0	-	-	-	5.0	5.0
Mona Shah – Chair ARC	7.5	0.2	-	-	7.7	7.4
Gurmeet Viridi	5.0	-	-	-	5.0	5.0
Kevin Edwards	5.0	-	-	-	5.0	5.0
Jo Robinson – Chair BEP	6.8	0.2	-	-	6.9	5.8
Helen McGregor	5.0	0.4	-	-	5.4	2.1
John Welch	3.2	-	-	-	3.2	-
Martin Wheatley (until 15 September 2022)	-	-	-	-	-	3.9
	<b>60.4</b>	<b>3.0</b>	-	-	<b>63.4</b>	<b>51.4</b>

John Lewis elected not to receive remuneration.

**9. Employee information**

The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:

	2024 No.	2023 No.
Office Staff	136	119
Repairs and maintenance	39	37
Independent Living staff, caretakers, and cleaners	22	20
	<b>197</b>	<b>176</b>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 9. Employee Information continued

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs:		
Wages and salaries	7,467	6,641
Social security costs	769	711
Other pension costs	944	829
	<b>9,180</b>	<b>8,181</b>

Aggregate number of full-time equivalent staff whose remuneration (including, salary, bonuses, allowances, employer NIC pension contributions and compensation for loss of office) exceeded £60,000 in the period:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	8	7
£70,000 - £80,000	5	2
£80,000 - £90,000	-	2
£90,000 - £100,000	3	1
£100,000 - £110,000	0	1
£110,000-£120,000	2	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	-
£140,000 - £150,000	1	-
£150,000 - £160,000	-	-
£160,000 - £170,000	-	-
£170,000 - £180,000	-	1
£180,000 - £190,000	-	-
£190,000 - £200,000	1	1
£200,000 - £210,000	1	1

# Greatwell Homes Financial Statement for the Year Ended 31 March 2024

## 10 Pension obligations

Greatwell Homes participates in two schemes, the Social Housing Pension Scheme (SHPS), and the Northamptonshire County Council Pension Fund (LGPS). Both schemes are multi-employer defined benefit schemes. The schemes are funded and were contracted out of the state scheme until 6 April 2016. In addition the Association also participates in the SHPS defined contribution scheme.

### Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme ("SHPS"), a defined benefit multi-employer scheme administered by TPT retirement solutions ("TPT"). The accounting policy in relation to SHPS is set out in page 58.

### Principal Actuarial Assumptions

The following information is based upon an actuarial valuation of the fund at 31 March 2024 by a qualified independent actuary.

	SHPS		LGPS	
	2024	2023	2024	2023
	% per annum		% per annum	
Rate of Increase in salaries	3.79	3.81	3.3	3.5
Rate of Increase for pensions in payment/inflation			2.80	3.00
Discount rate for scheme liabilities	4.92	4.83	4.80	
Inflation assumption (CPI)	2.79	2.81		
Commutation of pensions to lump sums			50/75	50/75

The current mortality assumptions include enough allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 Mar	At 31 Mar	At 31 Mar	At 31 Mar
	2024	2023	2024	2023
	years		years	
Retiring in 2024				
Males	20.5	21	20.5	20.7
Females	23	23.4	24	24.3
Retiring in 20 years				
Males	21.8	22.2	23.4	23.5
Females	24.4	24.9	25.6	25.9

Analysis of the amount charged to operating expenditure in the statement of comprehensive income

	At 31 Mar	At 31 Mar	At 31 Mar	At 31 Mar
	2024	2023	2024	2023
	£'000		£'000	
Employer Contribution	494	491	0	0
Employer service cost (net of employee contributions)	(153)	(215)	(99)	(186)
Past service cost	0	0	0	0
	<b>341</b>	<b>276</b>	<b>-99</b>	<b>-186</b>

### Analysis of pension finance income/(costs)

Expected return on pension scheme assets	186	175	430	254
Interest on pension liabilities	(216)	(193)	(297)	(220)
<b>Amounts (charged)/credited to financing costs</b>	<b>(30)</b>	<b>(18)</b>	<b>133</b>	<b>34</b>

### Amount of gains and losses recognised in the Statement of Comprehensive Income

	At 31 Mar	At 31 Mar	At 31 Mar	At 31 Mar
	2024	2023	2024	2023
	£'000		£'000	
Actuarial gains/(losses) on pension scheme asset	-412	-742	496	(394)
Actuarial gains/(losses) on pension scheme liabilities	(15)	460	113	2,026
	<b>(427)</b>	<b>(282)</b>	<b>609</b>	<b>1,632</b>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

	At 31 Mar 2024 £'000	At 31 Mar 2023 £'000	At 31 Mar 2024 £'000	At 31 Mar 2023 £'000
<b>Movement in surplus/(deficit) during year</b>				
Surplus / (deficit) in scheme at 1 April	(801)	(777)	2,838	1,337
<u>Movement in year:</u>				
Employer service cost (net of employee contributions)	(153)	(215)	(99)	(186)
Employer contributions	494	491	0	21
Past Service cost	0	0	0	0
Net interest/return on assets	(30)	(18)	133	34
Remeasurements	(427)	(282)	609	1,632
(deficit)/Surplus in scheme at 31 March	<b>(917)</b>	<b>(801)</b>	<b>3,481</b>	<b>2,838</b>

### Asset and Liability Reconciliation

	At 31 Mar 2024 £'000	At 31 Mar 2023 £'000	At 31 Mar 2024 £'000	At 31 Mar 2023 £'000
<b>Reconciliation of Liabilities:</b>				
Liabilities at start of period	4,404	6,858	6,358	8,147
Service cost	153	215	99	186
Interest cost	216	193	297	220
Employee contributions	14	13	31	30
Benefits paid	(36)	(74)	(334)	(199)
Past Service cost			0	0
Actuarial (gain)/loss	(110)	(2,801)	(113)	(2,026)
Liabilities at end of period	<b>4,641</b>	<b>4,404</b>	<b>6,338</b>	<b>6,358</b>
<b>Reconciliation of Assets:</b>				
Assets at start of period	3,603	6,081	9,196	9,484
Return on plan assets	(537)	(3,083)	0	0
Interest return on plan assets	186	175	430	254
Remeasurement	0	0	496	(394)
Employer contribution	494	491	0	21
Employee contribution	14	13	31	30
Benefits paid	(36)	(74)	(334)	(199)
	<b>3,724</b>	<b>3,603</b>	<b>9,819</b>	<b>9,196</b>
	<b>(917)</b>	<b>(801)</b>	<b>3,481</b>	<b>2,838</b>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 11. Tangible fixed assets

	-----Housing Properties-----						<b>Total Housing Properties</b>	Furniture and Office equipment	<b>Total fixed assets</b>
	Social Housing Properties for Letting Completed	Social Housing Properties for letting under Construction	Low cost home ownership properties Completed (LCHO)	Low cost home ownership properties under Construction	Housing Estates	Estates WIP			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Cost</b>									
At start of the year	155,111	4,570	19,472	98	3,504	-	<b>182,755</b>	5,325	<b>188,080</b>
Additions to properties acquired	3,935	4,882	1,251	194	223	-	<b>10,485</b>	415	<b>10,900</b>
Works to existing properties	5,447	-	-	-	-	-	<b>5,447</b>	-	<b>5,447</b>
Transfer to/from WIP	-	-	-	-	-	-	-	-	-
Interest capitalised	-	-	-	-	-	-	-	-	-
Disposals	(1,259)	-	(6)	-	-	-	<b>(1,265)</b>	-	<b>(1,265)</b>
Transfers	(257)	-	-	-	34	-	<b>(223)</b>	223	-
At end of year	162,977	9,452	20,717	292	3,761	-	<b>197,199</b>	5,963	<b>203,162</b>
<b>Depreciation and impairment</b>									
At start of the year	(36,997)	-	-	-	(55)	-	<b>(37,052)</b>	(4,785)	<b>(41,837)</b>
Charge for the year	(4,302)	-	-	-	(100)	-	<b>(4,402)</b>	(719)	<b>(5,121)</b>
Disposals	993	-	-	-	-	-	<b>993</b>	-	<b>993</b>
Transfers	-	-	-	-	(164)	-	<b>(164)</b>	164	-
At end of year	(40,306)	-	-	-	(319)	-	<b>(40,625)</b>	(5,340)	<b>(45,965)</b>
<b>Net Book Value at 31 March 2024</b>	<b>122,671</b>	<b>9,452</b>	<b>20,717</b>	<b>292</b>	<b>3,442</b>	<b>-</b>	<b>156,574</b>	<b>623</b>	<b>157,197</b>
Net Book Value at 31 March 2023	118,115	4,570	19,472	98	3,449	-	<b>145,704</b>	540	<b>146,244</b>



## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 11. Tangible fixed assets (continued)

	2024	2023
	£'000	£'000
<b>Housing Properties comprises:</b>		
Freehold land and Buildings	156,557	145,686
Long leasehold land and buildings	18	18
	<u>156,575</u>	<u>145,704</u>

Cost of properties include £138k (2022: £141k) for direct administrative costs capitalised during the year

	2024	2023
	£'000	£'000
<u>Works to existing properties in the year:</u>		
Improvement works capitalised	5,447	5,026

There were no capitalised interest costs in 2024 (2023: Nil).

### 12. Investment properties held for letting

	2024	2023
	£'000	£'000
At start of year	8,480	8,049
Additions	722	-
Additions: Commercial Properties	-	-
Gain/(Loss) from adjustment in fair value	(41)	431
<b>At end of year</b>	<u>9,161</u>	<u>8,480</u>

Investment properties were valued at 31 March 2024 by Harwoods, professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuations Standards.

### 13. Stock

	2024	2023
	£'000	£'000
Shared Ownership properties:		
Completed	448	-
Work in Progress	482	296
Other materials stock held	246	171
	<u>1,176</u>	<u>467</u>

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 14. Trade and other debtors

	2024	2023
	£'000	£'000
Rent Arrears	1,438	1,309
<i>Less: provision for bad debt</i>	<u>(895)</u>	<u>(782)</u>
	543	527
Other debtors	53	422
Prepayment and accrued income	<u>707</u>	<u>781</u>
	<u><u>1,303</u></u>	<u><u>1,730</u></u>

Debtors are all due within one year.

### 15. Investments

	2024	2023
	£'000	£'000
Listed on a recognised investment exchange	30	30
	<u>30</u>	<u>30</u>

### 16. Cash and cash equivalents

	2024	2023
	£'000	£'000
Money Market Investment	-	-
Cash at Bank	<u>8,273</u>	<u>9,161</u>
	<u><u>8,273</u></u>	<u><u>9,161</u></u>

In the above are balances totalling £697k (2023: £565k) which are held in a sinking fund for tenants for service chargeable replacement costs.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

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

	2024	2023
	£'000	£'000
Trade creditors	1,219	309
Rents and service charges paid in advance	1,040	1,066
Taxation and social security payable	277	276
Accruals and deferred income	2,310	2,629
Deferred Capital Grant (Note 19)	96	93
Other Creditors	630	688
	<u>5,572</u>	<u>5,061</u>

Other Creditors relates to the Right to Buy clawback payment due to North Northamptonshire Council (formerly the Borough Council of Wellingborough) due under the terms of the transfer agreement.

### 18. Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Bank and other loans (note 29)	64,894	59,862
Deferred Capital Grant (Note 19)	15,077	11,540
Recycled Capital Grant Fund (Note 20)	299	287
Sinking fund	674	565
	<u>80,944</u>	<u>72,254</u>

Sinking fund creditor includes the £674k as part of cash in note 16.

Loans are secured by housing properties, see note 29.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 19. Deferred capital grant

	2024	2023
	£'000	£'000
At the start of the year	11,633	11,720
<u>Grants received during the year:</u>		
Housing properties	3,633	36
Land rationalisation stock	-	-
<u>Grants recycled during the year:</u>	-	(30)
Amortised Grant	(93)	(93)
At the end of the year	<u>15,173</u>	<u>11,633</u>
Due within one year	96	93
Due in more than one year	15,077	11,540
	<u>15,173</u>	<u>11,633</u>

### 20 Recycled capital grant fund

	2024	2023
Opening balance	287	252
<b>Inputs to fund:</b>		
Grant recycled	-	30
Interest accrued	12	5
Recycling of grant etc	-	-
	<u>299</u>	<u>287</u>

### 21 Provision for liabilities and charges

In line with accounting policies a review has been undertaken of potential liabilities and charges. There are no disclosures to report.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 22 Non-equity share capital

	2024	2023
Allotted Issued and Fully Paid:	£	£
At the start of the year	10	10
Issued during the year	1	1
Reduced in the year	(1)	(1)
At the end of the year	<u>10</u>	<u>10</u>

The par value of each share is £1. The shares do not have the right to any dividend or distribution in a winding -up and are not redeemable. Each share has full voting rights. All shares are fully paid.

### 23 Capital commitments

#### Tangible fixed assets/intangible fixed assets

	2024	2023
	£'000	£'000
Capital expenditure that has been contracted for but not been provided for in the financial statements	24,142	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	37,619
	<u>24,142</u>	<u>37,619</u>

The Association expects these commitments to be financed with:

Social Housing Grant	1,211	2,995
Proceeds from the sale of properties	2,945	5,697
Committed loan facilities	19,986	28,927
	<u>24,142</u>	<u>37,619</u>

The above figures include the full cost of shared ownership properties contracted for.

There are no performance conditions attached to the above commitments.

### 24 Other commitments

The Association had no other commitments as at 31 March 2024 that have not been disclosed elsewhere in these accounts.

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 25 Operating leases

	2024	2023
	£'000	£'000
<u>Land and Buildings</u>		
In one year or less	155	287
In one year or more but less than two years	155	306
In two years or more and less than five years	465	744
In five years or more	775	890
<b>25 Operating Leases (Continued)</b>		
<u>Others</u>		
In one year or less	532	234
In one year or more but less than two years	507	346
In two years or more and less than five years	226	468
In five years or more	-	-
	<u>2,815</u>	<u>3,275</u>

### 26 Contingent liabilities

We have been notified 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 has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

### 27 Related parties

In accordance with FRS 102 Related Party Disclosures, Section 33.1A the Association has not disclosed transactions entered between two or more members of the Association, where each party to the transaction is 100% owned.

The Association entered the following related party transactions in the year ended 31 March 2023:

- The Board has one member who holds a tenancy agreement on normal terms and transactions are undertaken at an arm's length basis. Total rent charged to the Tenant Board member was £4,878 (2023: £4,686). There are no arrears on their tenancy at the reported period end £nil (2023: £nil).

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 28 Financial instruments and risk management

Greatwell Homes had total borrowing facilities of £115m at 31 March 2024 (2023: £115m) of which £50m (2023:£55m) were undrawn.

<b>Lender Tranche/Series</b>	<b>Total £000</b>	<b>Variable Rate</b>	<b>Fixed Rate</b>	<b>Maturity Date</b>
<b><u>Barclays</u></b>				
Tranche B	10,000	-	6.00%	30.09.2026
Tranche C	10,000	-	4.34%	17.07.2025
Tranche A	5,000	6.29%	-	31.03.2027
<b><u>PIC</u></b>				
Series A	10,000	-	3.343%	29.03.2058
Series B	10,000	-	3.373%	29.03.2057
Series C	10,000	-	3.454%	29.03.2053
Series D	10,000	-	3.421%	29.03.2058
<b><u>Total Drawn</u></b>	<b>65,000</b>			
<b><u>Barclays</u></b>				
Undrawn RCF	50,000			
<b><u>Total Facilities</u></b>	<b><u>115,000</u></b>			

## Greatwell Homes Financial Statement for the Year Ended 31 March 2024

### 28 Financial instruments and risk management (continued)

The maturity profile of outstanding borrowing at 31 March 2024 was:

	2024	2023
	£'000	£'000
<b>Loans not repayable by Instalments:</b>		
Within one year	-	-
in one year or more but less than two years	10,000	-
in two years or more and less than five years	15,000	20,000
in five years or more	40,000	40,000
Less loan issue cost	(106)	(138)
Total loans	<u>64,894</u>	<u>59,862</u>

Refinancing risk is managed via the Treasury Management Policy ensuring that there is a minimum 12 months projected funding requirement in place.

The average cost of capital at 31 March 2024 was 4.16% (2023: 4.1256%).

All loans are secured by specific charges on individual housing properties.

#### Interest rate risk

Volatility of cash flows and interest payments in relation to interest rate risk is managed by limiting exposure to variable interest rate risk. The Treasury Management Policy approved by the Board states fixed rate loans shall be 65% or more of drawn funds to provide certainty on interest payments and manage interest rate risk.

#### Currency risk

We trade in and hold sterling balances so we are not exposed to any currency risks.

#### Credit risk

Credit risk is the risk that a counterparty to a financial instrument fails to discharge an obligation. Credit risk guidance is part of the Treasury Management Policy which is approved by the Board each year.



**29 Financial instruments and risk management (continued)**

**Financial assets and liabilities**

<b>The Associations financial instruments may be analysed as follows:</b>	<b>2024</b>	<b>2023</b>
Financial assets measured at historical costs:		
Trade receivables	<b>489</b>	527
Other receivables	<b>750</b>	1,203
Investments	<b>30</b>	30
Cash and cash equivalents	<b>8,273</b>	9,161
	<b>9,542</b>	10,921
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans payable	<b>64,894</b>	59,862
Financial liabilities measured at historical cost		
Trade creditors	<b>2,259</b>	1,375
Other creditors	<b>17,053</b>	13,449
Accruals	<b>2,310</b>	2,629
	<b>86,516</b>	77,315

The book value of financial assets and liabilities at 31 March 2024 is deemed to equal fair value.

**29. Post Balance Sheet events**

There are no post balance sheet events to report.