Annual Report and Financial Statements

2024

For the year ended 31 March 2024

The Wrekin
Housing Group

Contents

Board Members

Chair

Desmond Hudson

Deputy Chair, Senior Independent Director, Chair of Finance and Investment Committee and Chair of Old Park Services Limited

Deborah Griffiths

Chair of Strata Housing Services Limited

Shaun Davies	Resigned 31 March 2024
Wayne Gethings	Appointed 1 April 2024

Chair of Audit and Assurance Committee

Alan Hawkesworth

Chair of Customer Committee

Kevin Morgan

Chair of People and Nominations Committee (formerly Remuneration and Nominations Committee)

Iain Littlejohn

Other Board Members

Louise Burns	Appointed 1 July 2023
Wayne Gethings	Appointed 13 December 2023
Ravinder Kaur	
Simon Whitfield	Appointed 01 April 2023
Alan Yates	
Esther Wright	Resigned 30 September 2023

Independent members

Enise Goring-Piskin	
Helen Hackney	
Laura Kirkham-Williams	
Dinesh Murugesh-Warren	
Paul Riley	Appointed 1 April 2023
Roger Scott Dow	
Chris Steele	Resigned 24 April 2024

Executive Directors

Group Chief Executive
Wayne Gethings

Executive Director of Finance
Jonathan Lamb

Executive Director of Operational Services
David Wells

Executive Director of Business Solutions
Janet Lycett

Company Secretary
Janet Lycett

Advisors and Bankers

Registered office
Colliers Way, Old Park, Telford, TF3 4AW

Bankers
Barclays PLC
Corporate Banking, One Snow Hill, Snow Hill, Queensway, Birmingham, B4 6GN

External auditors
Beever and Struthers
One Express, 1 George Leigh Street, Manchester, M4 5DL

Principal Solicitors
Devonshires LLP
30 Finsbury Circus, London, EC2M 7DT

Treasury Advisers
Chatham Financial Europe Ltd (until 30.11.23)
12 St James's Square, London, SW1Y 4LB

Savills (UK) Ltd (appointed 01.12.23)
55 Colmore Row, Birmingham B3 2AA

Property Valuers
Savills (UK) Ltd
55 Colmore Row, Birmingham, B3 2AA

Tax advisors
Grant Thornton UK LLP
4 Hardman Square, Spinningfields, Manchester, M3 3EB

Executive summary

This annual report highlights our performance during the financial year 2023/24; demonstrating how Wrekin has risen to significant economic challenges, and continued to provide quality services and deliver value for money.

The last financial year has been a challenging time for everyone, including our customers, staff and us as an organisation. It was a year which saw the highest levels of inflation for 40 years, while our customers continued to be impacted by the cost-of-living crisis.

However, despite these challenges, we have once again made good on our promise to make a difference to people's lives.

During 2023/24, our Money Matters Team supported customers facing financial difficulties by dealing with 2,283 referrals and securing over £4.4m in additional income for tenants.

The Group achieved an operating surplus of £31.8m during the financial year, generating an overall operating margin of 26.0%. Rent arrears remained low at 0.55%.

We invested £17.6m in our homes to bring them up to the Decent Homes Standard for social housing set by the UK Government and through other planned programmes. We also continued to meet the growing demand for good quality, affordable housing by delivering 316 new homes.

Despite the economic challenges facing our sector, Standard & Poor reconfirmed our A stable credit rating last August. We were also recognised as a G1/V2 housing association in terms of our governance and financial viability by The Regulator of Social Housing.

Throughout this report, you will see excellent examples of how we continue to manage our finances effectively against a very challenging operating environment.

We know there will be further pressures to come as we work to maintain the long-term financial health of the Group. However, in doing so, we will continue to invest in both our new and existing homes, meet our customer needs and deliver social value in the communities we serve.

Wayne Gethings

Group Chief Executive

316

new homes have been delivered

£31.8m

worth of **operating surplus**

G1/V2

awarded by the housing regulators

Strategic report

Group overview

The Wrekin Housing Group provides affordable housing for those in housing need operating across Telford and Wrekin, Shropshire and Staffordshire. Through its subsidiary company Choices Housing Association the Group provides quality care services to its residents and also provides domiciliary care to those customers who are not residents.

Vision and values

The Group's vision is straightforward:

Everything we do involves **making a difference to people's lives**.

This vision is driven by our core employee values:

Everyone Matters
People are at the heart of our team and every team member across the whole community counts.

Communicate Clearly
We respect colleagues and customers while recognising the importance of open conversations.

Grow Together
We support each other and take pride in our collective success.

Inspire Positive Change
We embrace innovation. We are not afraid to go the extra mile to provide even better services.

Strategic plan

Our detailed strategic plan 2020-2025 sets out seven main objectives that indicate the focus of our activities over that five-year period. Each pillar is underpinned by a number of deliverables that will need to be completed if we are to achieve those objectives.

The seven pillars are shown on the following page.

Strategic pillars

Care and Support

We will create a sustainable care and support business giving us a platform for future growth.

We will only provide care and support services where we can ensure best quality and meet existing and future service user needs.

We will further develop and invest in the future operation and growth of sustainable care and support services alongside our core function of providing affordable homes.

Social Value

We will target our resources to strengthen economic resilience of customers and communities; supporting tenancy sustainment and strong communities.

We will maximise our social value footprint through our core service activities, defined as housing and care and in conjunction with our supply chain.

We will focus our social value strategy to support our overarching customer resilience objective.

We will provide a Wrekin Hardship Fund to provide a balanced spectrum of appropriate support and funding – from crises to long-term sustainability for customers.

Employer

We will be a fair and trusted employer, constantly supporting the development and skills of our people.

We will create fairness across the whole of the Group.

We will ensure equality around terms and conditions in the markets we operate.

We will aim to have a highly trained and adaptable work force.

Asset Management

We will provide homes that are the best in terms of safety, energy efficiency and sustainability, growing the number of homes for our customers.

We will sustain investment in our existing performing homes and ensure all our properties have the ability to meet the needs of current and future customers.

We will ensure homes are 100% compliant in areas of landlord H&S and future environmental standards. We have no appetite for risk in the areas of H&S or compliance.

We will increase the availability of new homes in Shropshire and Staffordshire.

We will never put a customer into a property that they cannot sustain financially.

Customers

Through listening to our customers, we will understand their current and future needs better than any other.

We will have a relevant and inclusive Customer Committee and Customer Engagement Framework.

We will ensure there is a flexible range of ways for our customers to hold the group to account and work in partnership on service design.

We will use customer insight, intelligence and census data to shape our services.

Partners & stakeholders

We will be considered by our stakeholders to be trusted and collaborative, while ensuring we are the partner of choice.

We will identify and understand our stakeholders' perception of us while understanding stakeholder current and future needs.

We will identify areas of synergy.

We will ensure we are a partner of choice in our areas of operation.

Value for money

We will be relentless in our search for value and efficiency.

We will ensure we have a sound financial base to sustain quality at minimum cost. We will have in place the right finances at the right time to ensure business growth and understand efficiencies to the point where the services start to suffer.

Value for money

At Wrekin we consider value for money to be the bedrock of all our corporate pillars. The drive for efficiency across the Group ensures we have a sound financial base to sustain quality of our services at minimum cost. The Regulator of Social Housing published its 'Value for money metrics and reporting 2023' report which highlights the importance of social housing providers delivering value for money, by demonstrating the best use of their resources to achieve their objectives. This underpins the provision of good quality homes and services as well as delivery of new homes.

Value for money report

Set out below is our value for money report for 2023/24 which also forms our annual self-assessment. It shows our performance against both the Regulator's and our own Value for Money Metrics.

Development - Delivery of new homes

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
376 homes	**318 homes**	**338 homes**	**316 homes**	**338 homes**

The current Development Strategy, which began in 2020, is on course to deliver 2,316 new homes by 2026, having achieved 316 handovers in the financial year.

Development - Total income from property disposals

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
£8.8m	**£10.8m**	**£8.8m**	**£14.3m**	**£11.6m**

Income from property disposals includes income from asset renewal sales, together with sales under the Right to Buy and Right to Acquire legislation. In 2022/23 and 2023/24 numbers of sales have been lower than expected, however sales values have been significantly higher than target. In addition to the above sales the Group disposed of its 59 bed Limewood Dementia Care Home generating income of £6.2m.

Asset Management - Rent loss from voids

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
1.18%	**1.01%**	**1.18%**	**0.84%**	**1.18%**

Our void level at the end of the year had improved when compared to 2022/23. Average re-let times have reduced compared to 2022/23 and the financial impact is reflected here. The Positive Change review undertaken (keys in to keys out) is expected to bring average relet times back to pre-pandemic levels which will positively impact financial void loss.

Asset Management - Average relet times

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
17 days	**25.4 days**	**17 days**	**22.2 days**	**17 days**

The average time it took us to re-let properties continued to reduce during 2023/24. Whilst general needs properties have moved closer to pre-pandemic levels, lettings in our Extra Care and Retirement Living (corridor schemes) settings have still not reverted to where we were. The Group undertook a Positive Change Review at the end of the financial year continuing into 2024/205. This review scrutinised the whole process from 'keys in to keys out' and is expected to have a positive impact in reducing the average relet time in all areas of the business, bringing it back in line with the Group's target of 17 days. The review highlighted the impact of increased compliance requirements on turnaround times which is common across the sector.

Asset Management - Gas servicing

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
100%	**100%**	**100%**	**100%**	**100%**

The Group maintained its excellent level of compliance performance again in 2023/24, with 100% of properties having a valid gas certificate. Our full range of compliance performance metrics are shown on page 16.

Customers - Rent collection

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
100.0%	**100.5%**	**100%**	**99.7%**	**100%**

During the year, the Group continued to see a switch for more of its customers moving from legacy benefits to Universal Credit, with those on Universal Credit representing a larger proportion than previous years. In order to support our customers through the current cost of living crisis, in 2023/24 the Group has redesigned its service to provide support around debt advice and fuel costs in addition to its Money Matters service. We continue to actively engage in activities designed to make more tenancies financially stable as costs spiral in all areas for our customers. It is therefore really positive to see total rental income collected to be very close to our target of 100%.

Customers - Arrears levels

2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
0.50%	**0.51%**	**0.50%**	**0.55%**	**0.5%**

Our arrears level increased by 0.04% in what was yet another challenging year financially for our customers. As the rent increase was 7% we are pleased that we could provide ongoing support and assistance to our customers through the provision of our Money Matters, Debt Advice, Tenancy Sustainment and Energy Advice teams. We continue to see how valued these services are by our customers and during 2023/24 we saw a total of 2,283 referrals, with the teams successfully achieving financial outcomes for our customers of £4.4m. Eviction is always a last resort for us here at Wrekin and during 2023/24, evictions remained far lower than pre-pandemic levels at 13 (pre pandemic generally around 45 per year).

Customers - Repairs completed same day

31,942

responsive repairs were completed during 2023/24 (32,216 repairs 2022/23)

78%

of repairs were completed on the same day they were reported (79.8% 2022/23)

During 2024/25, we will continue to review our repairs service delivery model to ensure it is still fit for purpose given the lifestyle changes and working patterns of many of our customers.

Customer involvement

In 2023/24, the number of ways for customers to get involved will continue to increase and the Customer Committee will play a key role in overseeing compliance with consumer standards. This will include reviewing self-assessments about services, tenant satisfaction measure performance,

complaints performance and customer feedback; all driving improvement to services and assurance of our ongoing compliance. The new satisfaction measures will include the following:

- Overall satisfaction with services – **90%**
- Satisfaction with repairs – **89%**
- Satisfaction with time taken to complete most recent repair – **90%**
- Satisfaction that the home is well-maintained – **89%**
- Satisfaction that the home is safe – **90%**
- Satisfaction that the landlord listens to tenant views and acts upon them – **77%**
- Satisfaction that the landlord keeps tenants informed about things that matter to them – **81%**
- Agreement that the landlord treats tenants fairly and with respect – **87%**
- Satisfaction with the landlord’s approach to handling complaints – **49%**
- Satisfaction that the landlord keeps communal areas clean and well-maintained – **73%**
- Satisfaction that the landlord makes a positive contribution to neighbourhoods – **74%**
- Satisfaction with the landlord’s approach to handling anti-social behaviour – **69%**

Performance against the RSH VfM metrics

The following tables provide details of our performance against the RSH's VfM metrics and future plans and targets over the next two years.

Reinvestment

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
6.9%	**10.6%**	**10.2%**	**9.7%**	**8.2%**	**6.3%**

The Group continues to outperform the sector average. Capital investment in our existing stock amounted to £8.4m in 2023/24. At 31 March 2023, 83% of the Group's stock was rated EPC band C or above. Our intention is to achieve 100% by 2027. The current Development Strategy is due to be completed by March 2026, and planning for the 2026-30 Strategy has already begun.

New Supply (social)

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
1.7%	**3.6%**	**2.6%**	**2.4%**	**3.1%**	**3.2%**

As a result of the Group's extensive development programme, 316 new homes were completed during the year. We plan to deliver a further 925 new homes by 2026.

New Supply (non-social)

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
0.3%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

The Group has not delivered any of this type of housing over the last five financial years. We see ourselves very much as a provider of social housing. The Group Board have not included this type of development in its strategy.

Gearing

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
47.4%	**66.6%**	**66.6%**	**66.3%**	**66.6%**	**66.4%**

The Group's gearing percentage has always been higher than the sector average as a result of two factors. Firstly, being an LSVT organisation it has carried a higher level of debt than 'traditional' housing associations having borrowed significantly to fund the initial transfer and subsequent major repairs programme. Secondly, we have engaged in significant development activity over the past 10 years and have borrowed further to support this.

EBITDA MRI (interest cover)

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
104.0%	**136.4%**	**129.9%**	**161.4%**	**136.9%**	**141.9%**

The relatively large surplus from sales in 2023/24 resulted in a higher EBITDA MRI interest cover performance, despite pressure from inflated costs and high interest rates. Going forwards the budget anticipates that sales income will return to prudent levels and the interest cover performance will return to levels in line with prior years.

Headline Social Housing Cost Per Unit

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
£5,251	**£4,470**	**£4,427**	**£4,627**	**£4,983**	**£4,849**

Inflation, particularly on energy costs and care agency fees, has increased the annual cost per unit by £157 from 2022/23 and ran counter to budget assumptions pushing the cost per unit up by £200 compared to budget. This trend is expected to continue in the future, however for 2023/24 this result is significantly lower than the global median.

Operating Margin Social Housing

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
21.3%	**21.2%**	**25.6%**	**25.9%**	**19.5%**	**21.3%**

The operating margin on social housing was very much In line with budget for 2023/24 demonstrating how cost inflation was matched with increased income during the year despite the Government imposed rent cap. However, we expect the cost base to continue to rise in 2024/25 eroding the margin to some degree, with performance expected to come more in line with the 2023 median

Operating Margin Overall

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
16.6%	**18.7%**	**21.5%**	**26.0%**	**17.1%**	**19.5%**

High sales income resulted in a positive overall margin, significantly ahead of the Global 2023 median. However, high costs in the coming years and a more prudent sales forecast, return the projection to levels around our peer's average.

Return on Capital Employed

Global Accounts 2022/23 Sector Weighted Average	WHG 2022/23 Actual	WHG 2023/24 Budget	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2025/26 Business Plan
2.6%	**2.7%**	**2.9%**	**3.7%**	**3.3%**	**3.8%**

Investment in the Group's assets (existing homes and new homes) continued in 2023/24 despite the economic environment, meaning that ROCE at 3.7% exceeded budget. The business plan projects that return to continue to remain above 3% which would be above the sector median

Care and Support

The Group is committed to providing quality services in all its care and support activities which are regulated by the Care Quality Commission. Following the review of our business-wide approach to Care and Support, the Board approved a new cohesive strategy which created an ambition to merge the range of different Care and Support services, and the teams employed to support them, into a single Care and Support portfolio. This review of services continued throughout 2023/24 with the focus placed on Learning Disability Care and Dementia Care services to ensure that the financial and operational risks associated with those areas of work are effectively managed. This review continues into 2024/25.

Of the 12 schemes managed by Choices Housing Association, 11 hold the CQC rating of Good (service is performing well and meeting expectations) and one holds the CQC rating of Outstanding (service is performing exceptionally well).

In terms of other safeguarding issues, although there were a number of reportable incidents in 2023/24, none resulted in prosecutions, improvement notices, or wider-ranging safeguarding investigations and there were no Duty of Candour breaches during the year.

In November 2023 Choices disposed of its Limewood Dementia Care unit to a specialist provider following the Board's decision to exit the provision of Dementia Care services. The review of the Learning Disability Care service is ongoing and whilst this is the case the parent company, The Wrekin Housing Group Limited, will provide ongoing financial support as necessary.

Social Value

Employment, skills, training and volunteer opportunities

Through our new employability support programme we delivered nine Get that Job workshops for our customers, with 24 participants. Customers completing the programme are offered work experience with Wrekin to improve their CV and employment prospects.

In our role as a Cornerstone Employer we welcomed 70 work experience placements across the business, varying from occasional days, to a week, to a day per week for a full academic year. 67 staff are signed up as School Ambassadors, representing Wrekin at 29 school events and offering 219 staff volunteering hours during the year.

70
work experience placements

Through our development schemes we have supported 99 construction based apprenticeships and 55 work experience placements over 715 weeks across our development sites.

99
apprenticeships

167 Wrekin staff have participated in volunteering, logging 1,378 volunteer hours across the year.

1,378
volunteer hours

Welfare, debt and energy advice

Maximising the social value of our services is a key priority within the corporate plan as the Group aims to benefit our customers and the communities it serves. Our Money Matters Team has provided expert income and benefit advice to ensure that customers are receiving all of the income they are entitled to. Supporting our customers to manage their expenditure, including the interaction with our Debt Advice Team, is all focused on sustaining tenancies. During 2022/23 we opened a referral pathway specifically for Energy Advice, to support customers with rising energy costs and a two year grant from the Cadent Foundation to fund a FT Energy Advisor was successfully secured. In 2023/24 the Cadent Winter Support Fund also allowed Wrekin to provide support for tenants suffering fuel poverty issues, by providing food and energy vouchers, cooking equipment and warm packs.

Welfare Benefit Advisors

2,283
welfare benefit/ tenancy sustainment referrals to the team

£4.4m
achieved financial outcomes

Debt Advisors

240
debt advice referrals to the team

£759k
achieved financial outcomes

Energy Advisors

561
energy advice referrals to the team

£349k
achieved financial outcomes since the start of the Cadent Foundation Project

Cadent Winter Support

576
customers provided with support

£104k
Cadent Winter Support funds utilised

Employer

During 2023/2024, we employed 267 new starters and 68 colleagues gained internal promotion. We continue to support employees early in their careers through the apprenticeship levy, with over 25 apprentices registered in 2023/2024 and we provided 70 work experience placements to students in the local area. Over the course of the year, there were 18 learners who completed professional qualifications funded by the Group. We also invested in a new Learning Management System this year which will be rolled out in 2024/2025 and will enhance access to development opportunities for all employees and provide practical solutions to employee training needs.

Further HR digitalisation work in 2023/2024 included investment in a new Applicant Tracking System which will enable us to provide a seamless candidate experience and onboarding process for new employees, helping our people get off to the best start. Our improved systems have also enhanced our ability to draw out better people data and insights allowing us to more effectively monitor performance such as staff turnover, leaver reasons and recruitment time to hire. The meaningful insight is used to shape our people strategies and action plans.

The focus on Equality, Diversity and Inclusion (EDI) continued to gain momentum during the last year, demonstrated by us publishing our first ethnicity pay gap alongside the annual gender pay gap report. The Wrekin Allies staff network groups meet and raise awareness on a range of EDI topics with the aim of creating an inclusive culture. Over the past year we have developed our internal processes and systems to improve the capture rate of EDI data. As at the end of the year, the EDI capture rate stood at 96.8% which will enable more insights and targeted actions to be generated throughout 2024/2025.

The Employee Forum is now in its second year and comprises of 15 employee representatives from all areas of the Group. The forum gives employees a voice on matters which affect staff. Over the course of the year, the Employee Forum successfully introduced a number of initiatives aimed at rewarding and recognising employees. These include the launch of the Rainly shopping discount app saving employees a total of £21,000 and access to Ironbridge museum passes enabling over 1,000 free visits for employees and their families. Additionally, this year saw the introduction of Cheers2Peers, giving colleagues an opportunity to formally thank and recognise each other for their efforts. The Employee Forum continues to contribute to the ongoing development of policies focused on improving working lives and wellbeing.

Asset Management

At Wrekin, we are committed to providing homes that excel in safety, energy efficiency, and sustainability. During 2023/24, we invested £13.3m million in our existing stock, and completed 6,283 stock condition surveys, with the remainder expected to be completed by March 2025.

As of 31 March, (82.8 %) of our stock had an EPC rating of band C or above based on its last EPC, with the goal for all stock to meet this standard by 2027. At that time, (12888) out of (12894) homes met the Decent Homes Standard, with the few issues identified in stock surveys planned to be undertaken during 2024/25.

Our focus on quality and safety is reflected in our strong performance in all building compliance areas. Partnering with expert organisations, we continually review our building safety and damp and mould strategies to ensure they are effective and customer-focused. In March 2023, we engaged Pennington Choices for an independent audit of our damp and mould monitoring procedures, and they undertook a follow up audit later in the year following the implementation of the new policy. The audit highlighted a lot of good practice the group already undertakes in this area, emphasising that addressing damp and mould concerns continues to be a key strategic and operational goal.

Most compliance areas have maintained strong performance, with all at 100%, with the exception of electrical periodic inspection which was still an impressive 99.81% with 25 addresses in the no access process.

We have allocated appropriate resources to ensure compliance with the new Fire Safety Act and Building Safety Act, working with Pennington Choices to prepare our final building safety case reports and files. All three high-rise buildings are now registered with the new regulator.

During 2023/24, the Group have continued to develop their approach to responding and managing reports of damp and mould in homes. A damp and mould policy was approved in October 2023 and performance is reported to the Executive Management Group monthly, Audit and Assurance Committee and Customer Committee Quarterly. The Board also receive weekly updates on cases. As at 31 March 2024 our performance is shown as follows:

2,021 / **15%**
properties / of stock **reporting damp**

1,703
properties where work is completed and issue resolved

Work in progress position at June 2024:

- **216** open repair commitments (may be more than one per property)
- **189** properties visited where work is in progress
- **26** properties appointed, not yet visited
- Longest open job: **256 days** (mould in hallway and bathroom-access issues leading to delay)
- Furthest future appointment: **04 September 2024** (last part of sequence of work being undertaken. Date requested by tenant)

Most areas of compliance have maintained strong performance, with the majority of measures at 100%. Obtaining tenants' permission for carrying out electrical testing continues to be the primary problem. This process is subject to review with the intention that we will achieve the desired 100%.

Compliance performance 2023/24	Performance 2023/24 as at 31/03/2024		Performance 2022/23 as at 31/03/2023	
Indicator	**100%**	**Other**	**100%**	**Other**
Electrical Safety - Periodic test		99.81%		99.07%
Fire Safety - Periodic fire risk assessments	✓		✓	
Fire Safety - Equipment servicing	✓			99.64%
Heating Safety - Gas servicing	✓		✓	
Heating Safety - Non-gas	✓		✓	
Lift Safety - Communal lifts servicing	✓		✓	
Lift Safety - Communal lift insurance check	✓		✓	
Lift Safety - Home lifts servicing	✓		✓	
Lift Safety - Home lift insurance check	✓			98.10%
Asbestos Safety - Periodic checks	✓		✓	
Asbestos Safety - Homes surveyed for asbestos	✓		✓	
Water Safety - Risk assessments & periodic checks	✓		✓	
Food Safety - Star ratings	1 location: 4 star 23 locations: 5 star		1 location: 4 star 23 locations: 5 star	

During the year, the Group completed 316 new homes. A total of 178 of these were Design and Build and 138 were Section 106 or off the shelf units. The year continued to be very challenging for our contracting partners, with one main contractor and one employers agent going into administration. The Group has appointed a replacement contractor for one of the projects affected and a preferred bidder to agree accurate costs for the second. A new Employers Agent was appointed immediately after the loss of the original consultant.

During the year, we completed a wide range of developments, including the new 54 apartment extension to our Extra Care development at Bicton in Shrewsbury. It also includes a further 37 completed homes on our exciting 329 home partnership development at Granville, Donnington Wood Way in Telford, and completing 13 new homes at Castle Lodge in Dawley.

Our relationship with our key grant provider was also strengthened. From a start of year forecast to draw down £1.68m of Homes England grant, we finished the year on £13.1m. We also exceeded our Start on Site target by 198 units and our completions by 22 units. These results, along with our recent clean audit result and our relationship management have ensured The Wrekin Housing Group is regarded as a trusted partner of Homes England.

All new homes have a building envelope that is compliant to the Futures Homes Standard.

Customers

Here at Wrekin, listening to the voice of our customers forms a significant part of our governance arrangements to ensure we continue to meet the needs of our most important stakeholders. During 2023/24, the Group continued with its ongoing commitment to understanding our customers' needs and work in partnership with them to design and improve its services. Recognising the need to continually challenge and improve the approach, Wrekin remodelled how it listens to the customers' feedback in order to improve services. This included introducing new ways to get involved, such as more online and community-based opportunities.

A new, tenant-led Customer Committee was introduced to oversee Customer Voice work and compliance with the Consumer Standards in March 2023. As a formal part of the Group's Governance Structure, the committee gives assurance to the Board on Customer Voice being used to shape services and adherence to the Consumer Standards. Going forwards, Task and Finish Groups will be set up to deliver scrutiny reviews and service improvement recommendations from a customer point of view.

Key topics considered this year have been neighbourhoods, ASB handling, repairs and damp and mould, for example.

Partners and Stakeholders

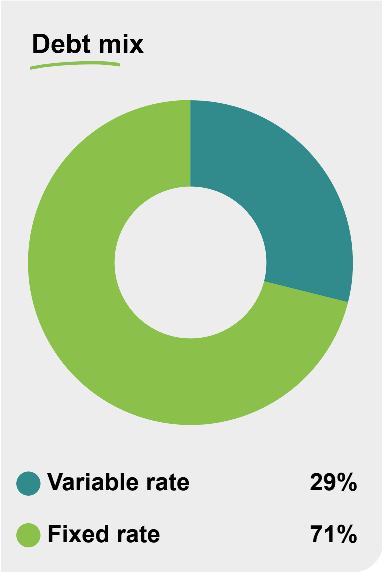
We understand the perception that our identified stakeholders have of us. We are considered by our stakeholders to be a trusted and collaborative partner of choice. We will continue to work with all our partners and stakeholders to deliver projects, developments and initiatives that make a difference to the lives of our customers and the communities they live in.

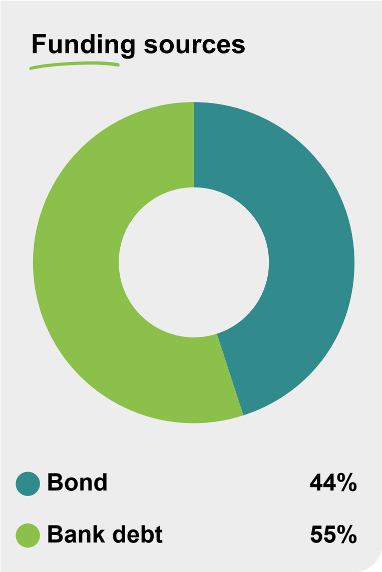
Our capital structure

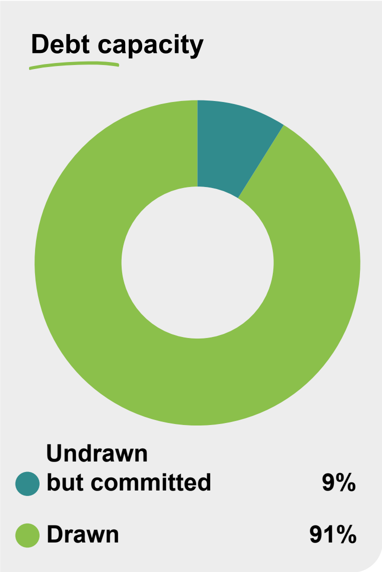
The Wrekin Housing Group's activities are funded through a mix of bank loans and a corporate bond issued on debt capital markets. All loans are held by the parent company, The Wrekin Housing Group Limited.

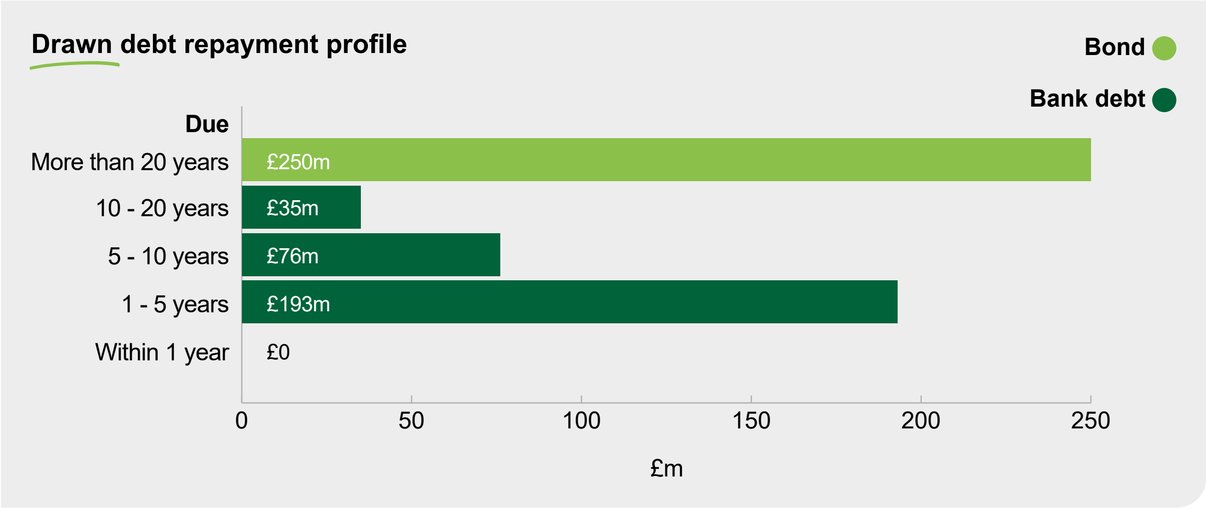
As at 31 March 2024, we have drawn loans amounting to £554m (£250m from the 2019 bond, and £304m from bank loans). We also have the ability to draw down another £52m from committed but undrawn variable rate bank loans. Overall, the Group's borrowings were 71% fixed rate, and 29%

from variable rate loans. Our treasury activities are intended to manage risk (rather than generate profit) and so our treasury management operates within a framework of policies, procedures and delegated authorities. The Group's counterparties (with which excess funds are deposited in mixed-term vehicles) are all traditional, high street banks, with a triple-A credit rating to ensure the safety of its assets.









Covenant compliance

The Group complied with all of its loan covenants during the year and at the year end. It also complied with the internal golden rules, set up by the board in its approved treasury management policy, which are tighter than the actual loan covenant requirements. This is to ensure that the organisation always has a significant amount of headroom over and above the required compliance levels. This should enable the organisation to deal with negative economic impacts that might adversely affect its financial performance without triggering an actual covenant breach.

Economic uncertainty

Wrekin is currently operating in an economic environment that is volatile, uncertain and complex. A cost of living crisis is affecting all parts of the UK economy. The effect of higher inflation over the past 2 years continues to affect the price of things, despite the rate returning to the 2% target in May 2024. As a response, the Bank of England raised the base rate of interest to the highest point in over a decade (August 2023 – 5.25%) in an attempt to reduce the level of inflation, which increases the Group's cost of borrowing and the pressure on our customers. The effects of a tough recession have largely been avoided, but growth is projected to remain stubbornly low and the differential between our customer's earnings and outgoings is unlikely to markedly improve over the coming year

The effect of these economic trends for us at Wrekin is two-fold. Firstly, there is a ongoing cost of living crisis that directly affects our customers, most of whom are in the lower income brackets of our local communities. With high costs affecting their household budgets, and wages and benefits that have not risen to the same degree, there is a squeeze on incomes. Clearly, this offers a direct risk to our ability to maintain income collection rates and increases the risk of arrears and bad debts.

Secondly, there is a direct impact on the Group's activities as materials and contract costs continue to rise, at the same time as our borrowing costs also increase. Particular examples of this include our energy costs and the cost of development activity or asset improvements.

There are limited ways in which the Group can manage the underlying causes of these risks, given that high inflation was a world-wide trend over the past two years, but we are proactive in managing the effects of these risks.

Stress testing the financial plans has shown that there is a high degree of financial resilience in our activities, and we are able to manage sustained, extreme and multi-faceted sequences of negative events. Over 70% of our loans are long-term fixed rate loans. Wrekin is also actively managing contracts to ensure inflation is controlled as far as possible and costs are kept low. Asset Management and Development teams are also proactive in identifying contractors that could be in financial jeopardy, moving quickly to secure our assets and support them where it is sensible to do so.

The impact on customers is also managed closely with the Money Matters Team working to identify and engage early with customers who are likely to be suffering financial difficulties. We signpost such customers to organisations that can help, or provide customers with training and support to get back into employment. Managing customers who are in arrears or likely to go into arrears is also a key part of our management of risk and has proven successful in the past.

Going concern

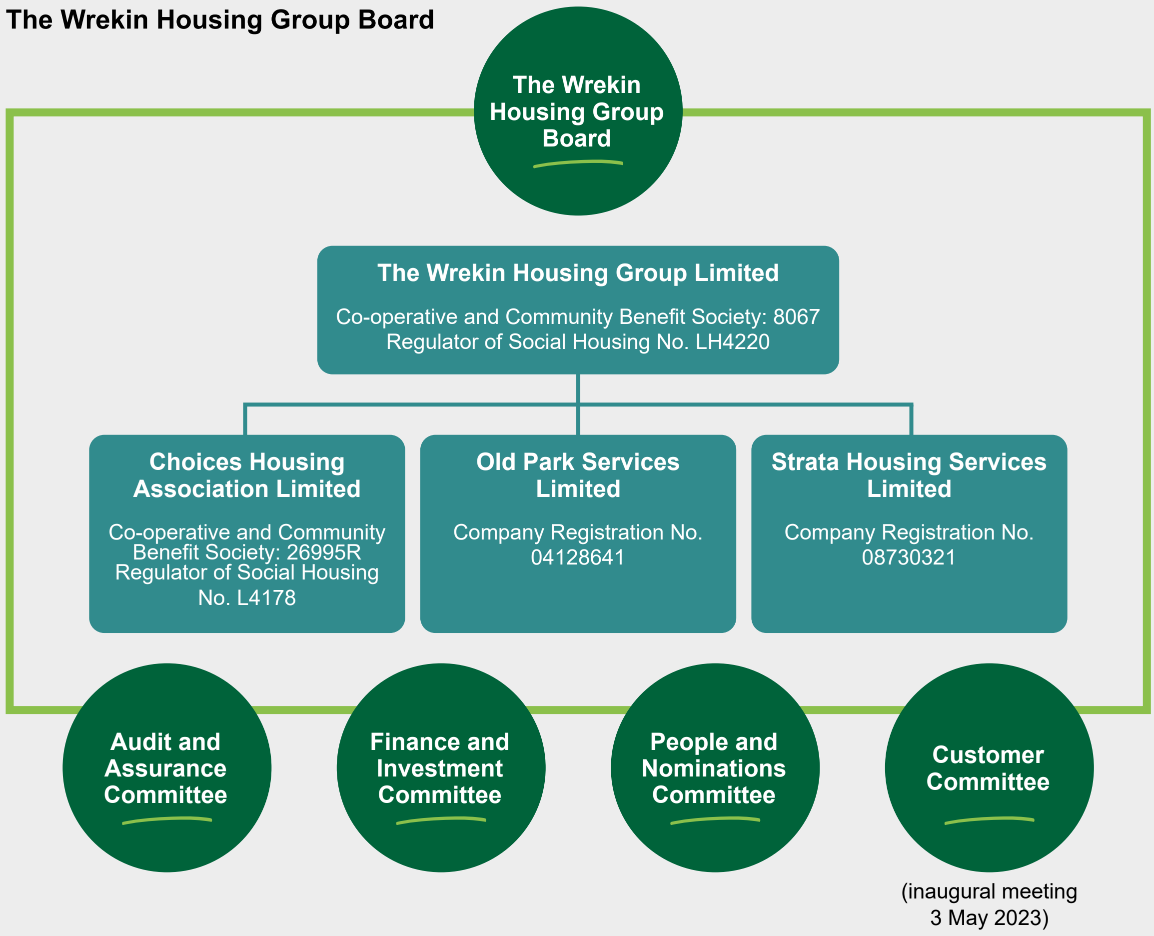
After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2025. For this reason, it continues to adopt the going concern basis in the financial statements. The principal factors that the Board have considered in determining that the going concern basis of preparation remains appropriate are as follows:

- At 31 March 2024, Wrekin had loan and bond facilities totalling £606 million. At that date £52m of loan finance remained undrawn. We have a long-term business plan which shows that the remaining undrawn amount will be committed to our development programme during the period through to 31 March 2026. At all times during that forecast period we have cash in hand of at least £10m.
- The business has recently secured additional variable rate facilities, which increases the amount of undrawn liquidity that the Group has access to.
- The business plan also shows that the Group is able to service these debt facilities whilst continuing to comply with lenders' covenants.

- A comprehensive set of stress tests have been run on the plan that pushes the forecast to breaking point to ensure the Board better understands the key drivers. Building on the current tough economic environment, these stress tests explore the vulnerability of the business to a range of factors arising from different scenarios, including reduced income, increased costs, reduced availability of funding and a downturn in the property market. Mitigating actions have been identified for all of these scenarios, such that, post-mitigation, covenant requirements are met. A range of actions are available to the Group, including modifying the development programme to match with available funding should one of the scenarios materialise, and managing the level and timing of expenditure to offset adverse impacts on the Group's operating surplus.
- The business plan includes investment in our homes to bring the EPC standards up to level 'C' by 2027, which will meet the government target of 2030. A stress test was performed to include the current estimate to bring the stock in line with the zero-carbon agenda between 2030 and 2050, showing that this additional expenditure is affordable under current projections.
- Development continues in the projection to 2034, delivering an estimated 2,500 new additional homes. The cost assumptions for this activity were stress tested and the business has the financial capacity to deliver this within current covenant terms.
- Savills published a new 5 yearly stock condition survey in June 2024 that has been included in our Business Plan projections and gives the Group third party assurance on the cost of our capital investment programme over the next 30 years.

Governance

The Wrekin Housing Group Board



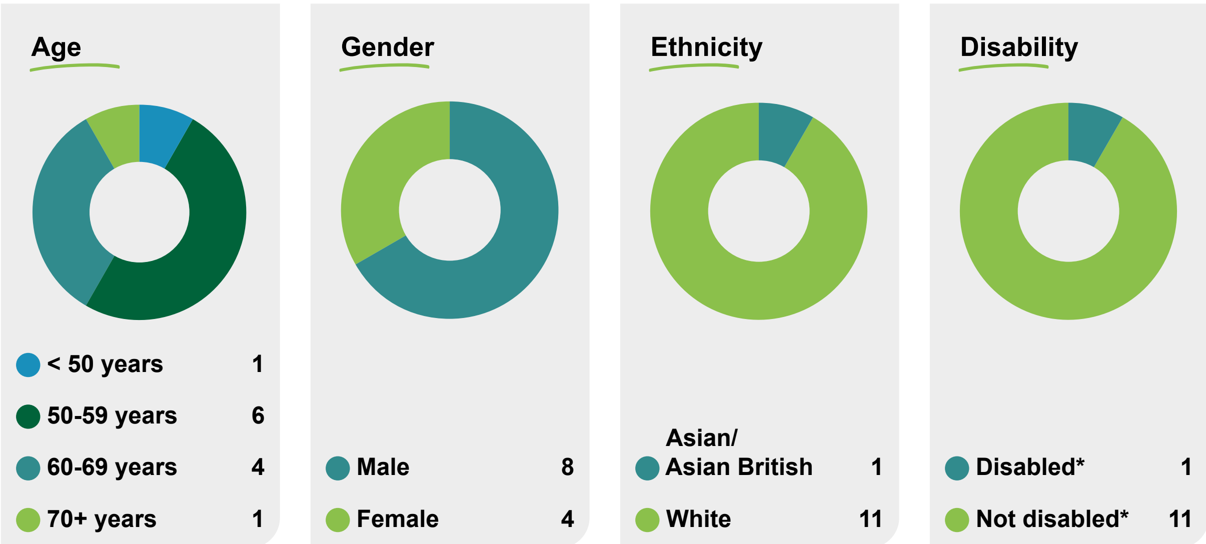
The Group is currently managed by a board of eleven members consisting of nine independent members, one member nominated by the Borough of Telford and Wrekin and, with effect from December 2023, the Group Chief Executive is also a member of the Board. One of the nine independent members is a tenant board member who is the chair of the newly formed Customer Committee. There is one coterminous board that oversees the activities of both the parent company and Choices Housing Association to ensure that risks and the additional obligations of the Care Quality Commission are managed effectively. Old Park Services Limited and Strata Housing Services Limited have their own boards which report back to the Group Board. The Board will meet a minimum of four times a year.

The Group Board exercises control and formulates the long-term strategic direction of the Group whilst ensuring compliance with legal and regulatory requirements both directly and through delegation to its committees and the boards of its subsidiary companies.

The Board continues to ensure that it attracts the right mix of skills and experience to enable it to discharge its role effectively. The performance of the Board, its members and committees are appraised annually on both an individual and collective basis.

An external review of Governance across the Group was undertaken by external consultants in 2023/24 resulting in the addition of the Group Chief Executive as a member of the Group Board.

A summary of the diversity of the Board during 2023/24 is shown below.



*Disabled/Not disabled under the Equality Act

Audit and Assurance Committee

The Audit and Assurance Committee is composed of three members of the Group Board and one independent member. The committee meets four times a year. The Committee advise the Group Board on whether the organisation has robust risk management, internal control and assurance frameworks in place.

The Committee provides assurance to Group Board that there is a transparent procedure in place for the selection and appointment of both external and internal auditors. It has oversight of the annual audit plan and periodically reviews specialist audits undertaken by independent third-party auditors.

Finance and Investment Committee

The Finance and Investment Committee is composed of four group board members and one independent member. The Committee has a specific focus on finance and treasury management given the Group has listed capital market debt and a number of bilateral bank finance arrangements included in its debt portfolio. The Committee also has a focus on asset management and development. The Committee meets four times a year.

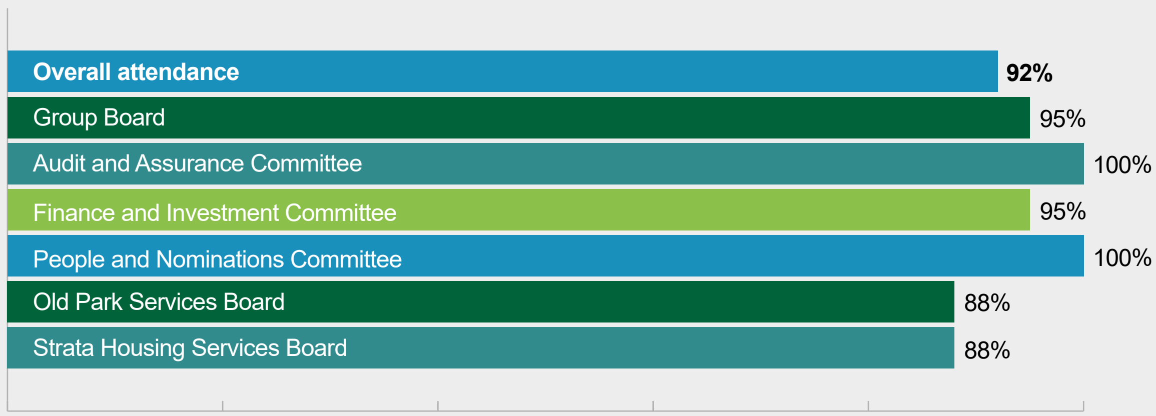
People and Nominations Committee

The People and Nominations Committee has responsibility for providing assurance to the Board on the effective, strategic delivery of our People Strategy and EDI responsibilities as an employer. The Committee provides assurance to the Board on Board member recruitment and development, and also maintains an oversight on Board member and Executive Director remuneration. The Committee is composed of three Group Board members and meets four times a year.

Customer Committee

Following the fundamental review of Wrekin's customer voice during 2022/23 significant changes were implemented in 2023/24 to support improved arrangements that deliver greater Board assurance around the Consumer Standards compliance and an improved approach to meet the future regulatory standards. the Customer Committee comprises eight members, three of which are Group Board members including the Tenant Chair who also holds a full NED role on the Wrekin Group Board. The rest of the Committee members are Wrekin tenants. the Committee meet six times a year.

Board member attendance by Board and Committee



Remuneration of board members and executive directors

Policy

The Board is responsible for setting the Group's remuneration policy for its executive directors on the advice of the People and Nominations Committee. It is the Board that agrees the appointment of the Group Chief Executive, the remuneration of the Group Chief Executive and the other executive directors, as well as the brief within which the executive directors can negotiate staff salaries. The People and Nominations Committee pays close attention to remuneration levels in the sector in determining the remuneration packages of the executive directors. Basic salaries are set having regard to each executive director's responsibilities and pay levels for comparable positions.

Pensions

The executive directors are members of the Shropshire County Pension Fund, a defined benefit career average salary pension scheme. They participate in the scheme on the same terms as all other eligible staff and the Group contributes to the scheme on behalf of its employees.

Other benefits

The executive officers are entitled to other benefits such as the provision of a car and life assurance.

Service contracts

The executive directors are employed on the same terms as other staff. Notice periods are three to six months depending on the role.

Non-executive board member remuneration

Fees were paid as follows in respect of the year ended 31 March 2024. All fees were paid by the parent association. In accordance with the articles of association a non-executive board member entitled to remuneration who is also a member of the board of another group company is not entitled to additional remuneration. The figures stated may therefore have been paid in respect of service on the board of the parent association or in respect of services on the board of another entity within the Group.

Louise Burns	£4,950	Iain Littlejohn	£8,500
Shaun Davies	£8,500	Kevin Morgan	£8,500
Enise Goring-Piskin	£3,000	Dinesh Murugesh-Warren	£3,000
Deborah Griffiths	£11,000	Paul Riley	£3,000
Helen Hackney	£3,000	Roger Scott-Dow	£3,000
Alan Hawkesworth	£9,500	Christopher Steele	£3,000
Desmond Hudson	£17,000	Simon Whitfield	£6,000
Ravinder Kaur	£7,750	Esther Wright	£3,875
Laura Kirkham-Williams	£3,000	Alan Yates	£6,600
		Total	**£113,175**

Risk Management and Risk Assurance

The Board of The Wrekin Housing Group reviewed and approved its Risk Management Framework in September 2022. It is reviewed bi-annually. The Framework sets out our risk management approach. It details the roles of the Board, Audit & Assurance Committee and the Wrekin leadership team in terms of how we manage, monitor and report on our risk management activities. The methods of gaining and reporting on risk assurance are also covered.

The Board's Statement of Risk Appetite was reviewed in March 2024. As at July 2024, there was one strategic risk outside of the Board's risk appetite: counterparty risk. The reasons for this are reflective of the macro-economic landscape and, as such, can only be controlled to a certain degree. To seek third line of defence assurance, counterparty management has been audited as part of the Internal Audit Programme and was given a substantial assurance rating. Audit & Assurance Committee also considered counterparty risk at the November 2023 meeting, as a deep-dive report. The report and presentation by the Director of Development gave significant second line of defence assurance that the Group is doing as much as it can to mitigate this risk. Management have enhanced development update reports to Finance & Investment Committee. This will ensure that Members gain assurance that the monitoring activities suggested are already being routinely undertaken by the team. This will give Members more information regarding significant early warning signs of the potential insolvency of contractors. This risk cannot be eliminated, however, if the Group wants to grow and develop new homes.

Appropriate focus is given to the identification of emerging risks. The Executive Management Group and Audit & Assurance Committee regularly review sector intelligence and emerging risks. Notable issues that present future potential risks to the business include: the cost-of-living crisis, the macroeconomic outlook, access to labour and skills, decarbonisation of the housing stock, enhanced consumer regulation/customer expectations as set out in the Social Housing (Regulation) Act, national reputational issues resulting from poor quality social housing (damp and mould, for example) and the enhanced health and safety requirements following the Grenfell fire, contained in the Fire Safety Act and the Building Safety Act. Political uncertainty resulting from the General Election also presents risks.

Top strategic risks, presenting the greatest threats to the Group, are reported at every Board meeting and Audit & Assurance Committee. The Group has undertaken a series of operational risk workshops with every team across the entire breadth of the Group. The output from this is a comprehensive set of operational risk registers covering the whole of the business. These complement the Strategic Risk Register and give depth to the management of risk across the Group. In essence, this effective risk management approach assists the Group in the achievement of the Strategic Plan. The approach is under regular review and enhancements are made every year. We are not complacent about how we manage risk.

In March 2024 the Board redefined the top strategic risks that the Group faces and seeks to manage, reducing the overall numbers of strategic risks that the Board regularly review to eight (detailed below). Below this level are a series of operational risks that all feed into and help mitigate at least one strategic risk. Those strategic-level risks are set out below.

Risk Area

Inadequate financial planning or financial resources

Nature of risk

Insufficient resources at the right time to deliver core business services and meet liabilities, whether due to poor financial planning or controlling financial assets.

Key controls

Financial performance and planning is heavily monitored by the Board. It approves the annual budget and business plan (including the related stress testing exercise) and receives quarterly reports on financial performance and projections against the budget across the Group's activities. The business plan is updated quarterly for financial forecasts based on the monthly projections of the financial management accounts. Income management is also monitored regularly and key metrics are reported to Board quarterly, which include performance against the golden rules set by Board to provide headroom on financial capacity. The Board and Finance & Investment Committee receive regular and extensive treasury reporting, including; covenant compliance projections, liquidity projections, future funding requirements, capital market intelligence, security positions and unencumbered stock levels, annual asset sales and development programme activity. We have an ongoing project to get unencumbered assets ready for charging to ensure future borrowing capacity. The Assets and Liabilities Register tracks the Group's ability to comply with wider loan conditions. The Group has a robust Treasury Management Policy and wider financial policies which are regularly reviewed. The Group publishes quarterly investor updates on the website.

Risk Area

Customer service

Nature of risk

Inability to improve our services to create a better customer experience.

Key controls

The Customer Committee plays a key role in overseeing customer voice work and compliance with the Consumer Standards. Annually the Committee reviews and approves the Customer Engagement Framework, the Customer Service Charter and on a quarterly basis reviews the Consumer Standards Action Plan to ensure progress is met in meeting all relevant standards. The complaints process and performance also fall under the Committee's responsibility, and this is regularly reviewed and reported on to Board. The Group is currently undertaking a Positive Change Programme, where customer-focused reviews are delivered on key processes, and where the results are delivered including process improvements, value for money uplifts or improving customer experiences. The progress and results of this programme are peer-reviewed and reported to Board quarterly. Staff training, particularly those with customer-facing roles, is key to the Group's control framework in meeting customer expectations.

Risk Area

Employee and Board resources

Nature of risk

Inability to recruit and retain the competency and expertise required to deliver core services, maintain compliance and deliver business objectives.

Key controls

The Group manages this risk through the People Strategy, oversight of which is delegated to the People and Nominations Committee. This umbrella strategy covers a wide array of actions including a market-related pay and conditions review, a training and development plan, apprenticeship and training programmes, the Wrekin Leadership Development programme, employee succession planning and an action plan to continue to meet the NHF Code of Governance 2020 at Board level. In addition, we have internal policies to ensure effective risk management, including an EDI policy and the Health and Wellbeing Policy. The People and Nominations Committee report to Group Board, which increases the focus on the strategic delivery of people-related matters and risk management.

Risk Area

IT service provision and cyber security

Nature of risk

Failure to design, implement and operate effective plans, systems and infrastructure which ensure the resilience of the business, support and enhance service delivery, and protect all company assets.

Key controls

The Board recognises the cyber risks facing the business as one of the most urgent emerging issues. The Group has an extensive suite of policies and procedures, including the ICT Strategy and Delivery Plan, the GDPR policy and procedures, the Information Security Policy and the IT and Business Continuity Plan, that all aim to mitigate against and control the risks inherent in data management and security. All Group IT devices require 2-factor login authentication, with backup verification procedures and systems. We have in place extensive firewalls, protective systems software and security hardening through compulsory registration and mandatory usage of multi-factor authentication at all user levels. The network is segmented and internet access controls are also in place and regularly maintained. User passwords have to meet a high bar for strength and complexity. Vendor software releases and patches are applied rapidly on release and monitored for new updates. There is an automated email threat analysis system in place that identifies, blocks and quarantines potential threats. Employee training and awareness is also maintained for cyber security, GDPR and fraud awareness. These security measures are regularly tested through internal and external security penetration exercises, the results of which are reported to Board. The IT team members are highly trained and qualified, and continuous professional development is essential for the senior team members, keeping up to date with threats and solutions in the wider world.

Risk Area
Development and investment in homes

Nature of risk
Failure to effectively manage assets and balance growth ambitions with requirements to invest in existing homes, build new homes and regenerate.

Key controls
Wrekin has a responsibility to invest in our current homes and ensure they meet decent homes standards and the needs of our customers, as well as being safe and healthy places to live. At the same time, we also recognise the need to build more new homes to help meet demand in our communities during the current housing crisis. However, with limited resources the Board needs to balance these two opposing focuses. All development activity is conducted within the Board approved the Development Strategy 2020-2026 which sets the overall envelope on the number of new homes the business intends to build, as well as the financial cost of that activity. Progress against this plan is reported quarterly to the Finance & Investment Committee, who also receive quarterly planned investment programme update reports. This charts the capital investment activity of component replacement in our existing homes. This budget is set annually and a 30-year projection is also included in the Business Plan. This is based on the 5-yearly survey and stock condition survey, the most recent of which was performed by Savills in 2024. There are a number of other cross-cutting strategies that the Board has approved that inform our short- and long-term investment plans, including the Asset Renewal Strategy and Policy, the Net-Zero Carbon Strategy, and the Counterparty Risk Policy. Together these controls provide a balanced mesh of assurance that the Group is investing in our new and existing homes appropriately.

Risk Area
Customer health and safety

Nature of risk
Failure to ensure that effective measures are in place to ensure the physical safety of our customers and compliance with the associated regulatory and legislative requirements as a landlord and developer.

Key controls
The Board takes customer safety very seriously, and is cognisant of the need to meet the high standards expected by the Regulator. The Group regularly monitors consultations to ensure that it replies to and complies with all regulatory changes and upcoming legislation. There are a suite of procedures and policies in place approved by the Board, including the Group's Health and Safety Policy, Safeguarding Policy which sets out reporting routes, and the Resident Engagement Strategy. Compliance performance is reported on a monthly basis to the executive team, and reported to Board quarterly. Our internal safety colleagues are expected to be fully qualified and undertake CPD to ensure they are fully briefed on new and emerging issues and controls, and a sizeable amount of our compliance work is undertaken through contracts with external providers. In addition, third party independent assurance is provided to the Board through an external auditing programme of our compliance data and performance.

Risk Area

Colleague safety and wellbeing

Nature of risk
Failure to ensure that effective measures are in place to ensure the physical safety and wellbeing of our staff and compliance with the associated regulatory and legislative requirements as an employer.

Key controls
In addition to a number of the control actions related to customer safety which also relate to staff, the Group has an extensive variety of tools to help maintain staff wellbeing and safety. This includes full access to Occupational Health professionals, a cadre of trained Mental Health first aiders within the business and extensive people-related policies and procedures granting extensive rights and routes for staff to access support and help.

Risk Area

Governance and compliance

Nature of risk
Inability to operate within regulatory and legislative requirements (non-safety).

Key controls
The Group has adopted the NHF Code of Governance 2020 and currently meets all aspects of the Code, with the agreed exception of some Board colleagues who are long-serving. The Board maintains a compliance calendar for all relevant regulatory submissions and regular agenda items, ensuring Group business is conducted methodically and orderly. The Board receives the annual assessment of the Group's performance against the RSH's Regulatory Standards to ensure wide-ranging compliance and effective governance. For instance, the Board is currently monitoring progression against the Consumer Standards Gap Analysis Action Plan (including considerations from the Housing Ombudsman in respect of complaints) to ensure compliance with the relevant standards. There is a board member directly responsible for complaints (Chair of the Customer Committee).

Health and safety

The Board is acutely aware of its obligations in all aspects of health and safety. The board prioritises the health and safety of residents, service users, personnel, and contractors and it takes a "zero tolerance" stance to non-compliance.

The Group has developed extensive health and safety policies and procedures, analyses risk assessments on a regular basis, and ensures that any required actions resulting from those risk assessments are carried out. We provide adequate health and safety training and instruction to our employees, and have received a number of accolades in recognition of our commitment to high standards in this area.

The Board gets frequent reports on health and safety performance and issues, including any reportable occurrences and all areas of property safety, as well as the findings of audits conducted by independent third-party specialists. The performance against key indicators is displayed on page 16.

Environmental, Social and Governance Reporting

The Group adopted the Sustainability Reporting Standard for Social Housing in 2021, and continues to publish an annual ESG report covering performance during the prior financial year. We have a focus on delivering safe, energy efficient and sustainable homes, alongside investing in our communities and customers to help them meet current and future challenges.

Performance for 2023/24 will be the subject of an updated report, but the headline facts include £58.9m of social impact created by the business, achieved through 20,647 social value outcomes, including improving employment prospects, grants to the community and supporting those in need.

Employability	**Social impact**	**Outcomes**
Creating employment opportunities for the unemployed	£18,225	2
Developing skills and building confidence	£2,567,035	1,283
Stimulating local economic growth	£345,349	98
Inclusion		
Enabling people to connect and play active roles in society	£1,563,756	1,399
Enabling people to maximise income potential	£5,723,966	797
Securing, maintaining & sustaining homes	£1,911,032	3,777
Wellbeing		
Helping people to live independently	£1,814,995	198
Improving physical and mental wellbeing	£1,908,842	348
Reducing social care needs and hospital attendance	£22,145,290	3,205
Resilience		
Fostering a sense of community	£5,818,246	1,916
Providing a safe environment	£2,031,470	2,265
Treating people fairly and equally	-	3,882
Environmental Sustainability		
Building and providing efficient homes	£13,093,585	1,477
Minimising impact on the environment	£20,854	-
Total	**£58,962,645**	**20,647**

Investing in our homes is equally important in ensuring the Group is ready for the challenges of the future. During the year, we invested £17.6m in our existing homes, and £70.1m in building new homes in our communities. Looking to the future, we have also published a road map to net zero carbon, which identified how the homes and activities of Wrekin will be carbon neutral by 2050.

Net zero carbon road map

Key achievements 2023/24:

- Delivered a grant-funded retrofit project on our 55 worst energy efficiency-performing homes to develop learning and knowledge on the PAS retrofit standard and tenant impact.
- Continued to construct all new homes with building envelopes built to Future Homes Standards, making them zero-carbon-ready. We plan to comply with the full Future Homes Standard from 2025 onwards.
- Piloted projects to test low carbon heating solutions so that the Group can better understand the customer experience using these new technologies and the implications on maintenance costs.
- Introduced zero carbon electric tariffs across all commercial supplies, reducing roughly 5% of the Group's carbon emissions.
- Successfully trialed battery tool technology with our ground maintenance team.
- Completed a recycling facilities audit at Wrekin's head office, with recepticles now in place for recycling branded workwear and plastic ID badges. 200kg of workwear has been collected and recycled to date.
- Gathered feedback from customers who took part in the retrofit of solar PV and battery storage.
- Delivered recycling and energy advice to customers and started the process of creating information videos to explain different types of heating.

2023
Procure a retrofit framework to enable energy improvement methods to be undertaken.

2023/2024
Recruit and train EPC assessors to survey our properties.

2025
Business and communal electricity to be purchased from zero carbon and all waste recycled. All new homes to be zero carbon ready and built off the gas grid.

2026
A total of ten per cent of commercial fleet to be electrically powered, with charging in key locations. All heating staff to have new heating technology training and be TrustMark registered trades.

2027
Survey all 1,600 SAP band D and lower homes and undertake retrofit work to achieve band C.

2028
Survey all 12,500 homes and complete a retrofit assessment (property plan).

2030
Undertake work to lift SAP 2012 C rated homes to band A or B, targeting fuel-poor first. Start installing solar PV where required and all new fleet to be electric from 2030.

2035
Start converting all heating systems including communal from mains gas to electric or hydrogen heating (whichever is preferred at the time).

2040
All new homes to be one hundred percent net zero carbon and undertake work to lift SAP 2012 B rated homes to band A.

2050
All housing stock and offices to meet band A or B, electrically heated and carbon offsetting applied to achieve zero carbon status.

CO_2 neutral

Business performance

Statement of Comprehensive Income

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Turnover	115.8	103.0	97.5	95.7	92.1
Operating costs	(85.7)	(83.8)	(76.3)	(73.6)	(68.0)
Gain on disposal of housing properties	1.5	2.0	2.8	1.6	3.7
Gain/(loss) on revaluation of investment properties	0.2	0.2	2.6	2.5	-
Operating Surplus	**31.8**	**21.4**	**26.6**	**26.2**	**27.8**
Net interest costs	(21.9)	(18.2)	(15.7)	(15.9)	(69.7)
Taxation	(0.1)	-	-	(0.1)	-
Surplus/(deficit) for the year	**9.8**	**3.2**	**10.9**	**10.2**	**(41.9)**
Actuarial gain/(loss) in respect of pension schemes	10.2	49.2	8.8	(7.3)	(5.3)
Effect of asset ceiling	(0.1)	-	-	-	-
Total comprehensive income for the year	**19.9**	**52.4**	**19.7**	**2.9**	**(47.2)**

*In 2019/20, the Group completed a refinancing exercise resulting in £52.1m of breakage costs

Statement of Financial Position

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Intangible assets	-	-	0.1	0.3	0.3
Housing properties	819.6	764.4	703.3	653.9	618.1
Investment properties	20.1	19.8	19.6	16.9	14.4
Other fixed assets	3.6	3.9	4.2	4.5	4.7
Net current assets	2.5	8.0	13.8	20.4	67.0
Long term creditors	(718.1)	(678.3)	(630.2)	(599.7)	(621.0)
Pension liability	-	(10.0)	(55.4)	(60.6)	(50.7)
Reserves	**127.7**	**107.8**	**55.4**	**35.7**	**32.8**

The following paragraphs highlight key features of Wrekin's financial position at 31 March 2024, discussed further in subsequent sections.

The Group recorded an operating surplus for the year of £31.8m (2023:£21.4m) with most areas of the business making a positive contribution to the result despite the continuing impact of the current economic environment. The main driver of the improved performance came from the Group's Asset Renewal Programme, where 113 of our lowest performing void units were disposed of, mainly to a local authority partner, bringing in sales receipts of £12.1m (2023: £7.6m). This is in addition to the income from core social housing lettings which benefited from a 7% uplift from 2023. Together these factors meant that turnover increased by over £13m (a 14% uplift from 2023). In the context of rising costs and inflation in the wider economy, the Group managed those financial risks, limiting the impact on the 2023/24 budget to £3m year on year operating costs increases (4.5% above 2022/23). Given rental income inflation of 7% this resulted in an improved operating margin at 26.0% (2023: 18.7%).

The higher base rate of interest controlled by the Bank of England rose to a 14 year high during the year, at 5.25% which increased the interest payable rates that the Group incurred on its variable rate debt. Whilst drawn debt also increased during the year by £31m to a total of £554m, only 29% of that balance is susceptible to market rate movements. The result of the higher base rate of interest on a larger debt position is an increased cost of borrowing in the year of £4.2m, with an average cost of capital of 4.45% (2023: 4.1%).

After net funding costs of £21.9m, the Group achieved a surplus on ordinary activities before taxation of £9.9m.

Total comprehensive income for 2023/24 of £19.9m includes actuarial gains on the pension scheme of £10.2m (2023: £49.2m) resulting from changes to assumptions based on economic market indicators as at 31 March 2024. The accounting valuation at 31 March 2024 resulted in a net asset position of £82,000, however management have effected an asset ceiling of this value in accordance with the requirements of FRS102 A full triennial valuation of the scheme was completed as at March 2022. More detail is disclosed in note 11 of these accounts.

The principal movement in the Group's balance sheet relates to the net increase in housing properties of £55.2m. A total of 316 new homes were completed in the year securing £13.1m of Homes England Grant Funding. In addition, the group capitalised £8.4m in its existing stock. At 31 March 2024 six properties did not meet the Decent Homes Standard. Work continues to ensure all stock is rated EPC band C or above by 2027.

Social Housing lettings

Our operating margin on social housing lettings was very much in line with budget at 25.9%, demonstrating how cost inflation was managed within the constraints of the Government imposed rent cap of 7%. Whilst the Groups margin was in excess of the sector median for 2022/23, continuing pressure on our cost base does mean that we expect our operating margins on both social housing and overall to be eroded during 2024/25 and be much more aligned to the sector median.

The Group has embarked on a Positive Change Programme undertaking service reviews in all areas of the business with the expectation of driving down cost whilst improving efficiency to demonstrate value for money.

Rent increases	**2023/24**	**2022/23**	**2021/22**	**2020/21**	**2019/20**
CPI	10.1%	3.1%	0.5%	1.7%	2.4%
Rent increase/(decrease)	*7%	4.1%	1.5%	2.7%	3.4%

*Government imposed rent cap

Non-social housing activity

We continue to engage in activities beyond social housing, the main activity being care services delivered through our care subsidiary Choices Housing Association Limited. The year was again a challenging one for the company with the difficulty in recruiting specialist dementia care staff through to when the disposal of our Limewood Dementia Care Unit completed. A full review of the care service has now been completed with a proposed restructure taking place during 2024/25.

Trading activities undertaken by our trading subsidiary Old Park Services continued to perform well, resulting in an operating profit before taxation of £624k that will pass to the parent in 2024/25 by way of Gift Aid.

Our small portfolio of market rented properties (132 units in number) also made a positive contribution to the year end result as demand for these homes remained high.

Housing properties

At 31 March 2024, the Group owned 13,422 housing properties (2023: 13,299), a net increase of 123, taking account of acquisitions, demolitions and disposals in the year. The properties were carried in the Statement of Financial Position at cost (after depreciation) of £819.6m (2023: £764.4m).

Pension costs

Wrekin participates in the Shropshire County Pension Fund (SCPF), a career average salary defined benefit scheme. We made the decision to close the scheme to new entrants with effect from 1 September 2020. We have contributed to the scheme in accordance with levels, set by the actuaries, of 20% of pensionable pay in the year to 31 March 2024 in respect of future service benefits. For 2024/25 the employer contribution rate will remain at 20%. During the year, the association made a lump sum payment of £30,400 in respect of past service deficits. The annual lump sum payment will be £146,700 in 2024/25.

The net actuarial gain in the year was £10.208m (2023: £49.186m gain). The movement year on year is due to the shifts in actuarial assumptions caused by general economic conditions, and in particular to a rise in the expectations related to future inflation, increasing future pension payments, and to an increase in the discount rate, further increasing the present value of future pension payments. Sensitivity to these and other assumptions is shown in note 11 of these accounts.

At 31 March 2024 the valuation under FRS102 indicated a net asset position of £82,000. Management has applied an asset ceiling of an equal amount to reduce the net asset to £nil since, in accordance with FRS102, management does not believe that the surplus is recoverable.

Development

Under its Asset Renewal Strategy, the Group sets out to add three new properties for every two older, uneconomic properties that are disposed of. 2023/24 was the nineteenth year of the strategy. During 2023/24, the Group sold 113 properties (2023: 82). A further 21 (2023: 35) properties were sold under the Right to Buy and Right to Acquire provisions, and 1 sale of shared ownership stock was completed.

First tranche shared ownership sales were completed on 17 units generating a surplus of £582k (2023: £1.2m). There was also a staircasing sale reducing the percentage owned by the Group on that individual unit to 35%.

During the year, Wrekin added 316 new homes to its stock. The 316 new homes are a combination of traditional development and section 106 planning gains.

The Group's current business plan projects that the future development programme will add a further 900 new build units to its stock by 2026, through a mixture of traditional development and section 106 and off the shelf acquisitions, based on the current approved business plan.

Performance of subsidiary companies

The Group maintained its strong reputation for quality across the sector. This has allowed it to continue to sell maintenance services to other registered providers to generate further funds for investment into its core activities. Old Park Services delivered a surplus of £624,000 (2023: £311,000) available to be paid back to the parent company via gift aid in the 2024/25 financial year.

Wrekin continued to use its development subsidiary company, Strata Housing Services Limited, to provide development services to the Group, which has already saved £6.0m in VAT that would otherwise have been an irrecoverable cost since it began operating at the beginning of 2014/15. Strata delivered a surplus of £1.247m (2023: £1.226m) available to be paid back to the parent company via gift aid in the 2024/25 financial year.

The provision of care services continued through the subsidiary company, Choices Housing Association. Choices delivered a final deficit of £1.934m (2023: deficit £2.876m). Of this £823k related to the discontinued operation of Limewood Dementia Care Unit which was disposed of in November 2023 following the Board's decision to withdraw from the provision of specialist dementia care. A full review of the Care service has been undertaken during 2023/24 and a proposed restructure will take effect in 2024/25 which is expected to improve the operational efficiency of the subsidiary.

Future developments

A key influence on the timing of borrowings is the rate at which planned maintenance and development activity takes place. The board has approved plans (i) to spend £16.0m during the next financial year under its planned maintenance programme, on investing in existing stock to ensure that the properties continue to meet the Decent Homes Standard and making other improvements, and (ii) through its Asset Renewal Strategy to add 900 properties by 2026 while continuing to dispose of older, expensive to maintain properties.

Current commitments of £99m as disclosed in note 28 will be financed through a combination of borrowings, which are available for draw-down under existing loan arrangements, social housing grant, expected shared ownership sales proceeds, property sales under the Group's Asset Renewal Strategy and cash generated from operating activities.

Payment of creditors

The Group agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

Strategic Initiatives

During the year the Group has explored potential merger opportunities in order to strengthen its presence in the sector. On 8 July 2024 the Group announced initial merger talks with Housing Plus Group (HPG). Both Boards have now approved the outline business case with both entities working together to produce the final business case and present to their respective Boards in September 2024.

The initial merger discussions with HPG have been focussed on evaluating the potential benefits and strategic fit of combining the two entities. The desire from both parties is to create a stronger, regional organisation that will bring significant benefits to both staff and customers. Culturally both the Group and HPG have much in common, sharing similar values and services.

The new merged organisation would be:

- More resilient and able to invest in our homes, while also building more new homes.
- Larger, but remain fully connected to, and invested in, the communities we serve across Telford & Wrekin, Shropshire and Staffordshire.
- Able to provide even better services, while creating more opportunities for our staff.

Statement of compliance

In preparing this strategic report, the board has followed the principles set out in Part 2 of the SORP ‘Accounting by Registered Housing Providers’ 2018. The financial statements comply with FRS 102, SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The board further confirms that the Group has complied with the requirements of the Social Housing Regulator Governance and Financial Viability Standard and currently holds a G1/V2 rating and has the required register of assets and liabilities in place.

The strategic report was approved by the board on 25 September 2024 and signed on its behalf by:

Chair

Desmond Hudson

Report of the Board

The Board presents its report and audited financial statements for the year ended 31 March 2024.

Registration

The Wrekin Housing Group Limited is incorporated as a Co-operative and Community Benefit Society under the Co-operative and Community Benefit Society Act 2014 (registration number 8067) and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008 (registration number LH4220). The organisation's registered office is at Colliers Way, Old Park, Telford, Shropshire, TF3 4AW.

Principal activity

The Group's principal activities remain the development and management of social housing and the provision of care services.

Business review

Details of the Group's performance for the year are set out in the Strategic Report.

The Group's subsidiaries are:

Old Park Services Limited – a private company limited by shares, whose principal activities are the provision, on a profit-making commercial basis, of housing and property related services and associated software to other social landlords, together with the operation of retail outlets for re-used and recycled household goods, actively promoting re-use as an alternative to disposal of household goods and waste.

Strata Housing Services Limited - a private company limited by shares, whose principal activity is the provision of development services to its parent company.

Choices Housing Association Limited – a registered provider of social housing registered under the Co-operative and Community Benefit Society Act 2014 (registration number 26995R) and with the Regulator of Social Housing under the Housing and Regeneration Act 2008 (registration number L4178). Its principal activities are the provision of registered care and supported housing for adults with a learning disability and the provision of nursing beds and a domiciliary care service which delivers care to tenants of the Group's 'ShireLiving' Extra Care schemes and to other tenants who live in both Choices and Wrekin Housing Group properties. In 2023/24 Choices withdrew from the provision of specialist dementia care with the disposal of its Limewood Dementia Care Unit taking place in November 2023.

Regulatory Judgements

The Group continues to hold a G1/V2 grading with the Regulator of Social Housing. Whilst the V2 grading indicates that the Group is still compliant with the Regulatory Viability Standard, it remains an aspiration for it to regain the V1 rating by continuing its prudent approach to financial planning and the effective deployment of mitigating actions to rebuild capacity in its business plan.

NHF Code of Governance

The Board confirms that, having adopted the NHF Code of Governance (2020) in April 2021, the Group complies with the requirements of that code.

The Board recognises its responsibilities for ensuring that arrangements are made for keeping proper books of account with respect to the Group's transactions and its assets and liabilities. Also, for maintaining a satisfactory system of internal controls over the Group's books of account and transactions and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is satisfied that there are appropriate arrangements in place with respect to its transactions, assets and liabilities and that there is a satisfactory system of internal control in place to prevent and detect fraud and other irregularities.

Following a fundamental review of its customer voice and tenant engagement framework significant changes were implemented during 2023/24 to support improved arrangements that will deliver greater board assurance around the Consumer Standards compliance and an improved approach to meet the future regulatory standards. This resulted in the replacement of the Service Quality Committee and the Customer Voice Panel with a fully refreshed Customer Committee. The majority of the Committee members are Wrekin Housing Group Tenants and the Tenant Chair also holds a full Non- Executive Director role on the Group Board. The wider improvements add value to how we listen to our customers and also in our compliance with the NHF Code of Governance.

Insurance of directors and officers

The Group has insurance policies in place, which indemnify its board members and executive directors against liability when acting on its behalf.

Going concern

The Group continues to operate in tough economic headwinds. Throughout 2023/24 cost inflation was higher than in previous years, but over the course of the year fell to 2.3% in March 2024. However, the Bank of England increased the base rate of interest to 5.25% and although falls are expected over 2024/25 these have not materialised yet. During 2023/24 the rent inflation level had been capped to 7% (below September 2022 CPI), meaning the Group's operating margin came under pressure, reducing the level of cash that the business generated. At the same time, the higher interest rates kept the cost of capital high, and reduced headroom on our interest cover covenant performance. Whilst some of these pressures are relaxing, the Group's budget for 2024/25 is not without its challenges and margins remain tighter than in the past. However, despite these issues, the Group still has an ambitious programme of capital investment and development, and continues to improve the quality of our homes and the offer to tenants.

Wrekin Housing Group has assessed its resilience to these factors as part of its business planning cycle and gone further to stress test its assumptions going forwards. This included subjecting the financial plans to extreme combinations of pressures, including significantly higher inflation, lower income, worsening operational performance, more costly investment requirements, and more. After expectation that the Group has adequate resources and capacity to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance of compliance with all relevant legislation and against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the report and financial statements. The risk assessments are updated quarterly and are reported to the Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Identification and evaluation of key risks

The Board has established a risk management strategy, setting out its attitude to risk in the achievement of its objectives, which underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks.

Control environment and internal controls

The processes to identify and manage the key risks to which the Group is exposed are an integral part of the internal control environment. These processes, which are reviewed annually and revised where necessary, include strategic planning, succession planning and recruitment of executive directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection and environmental performance.

Financial and operational performance reporting

An important control in relation to the Group's management of risk is the reporting and monitoring of financial and operational performance. Examples of this include:

- Reporting of operational performance against a range of key performance indicators throughout the year. The indicators cover housing management, care services, repairs and maintenance, health and safety and customer satisfaction.
- Preparation of strategic plans, underpinned by detailed budgets for the year ahead and forecasts for subsequent years, all of which are reviewed and approved by the Board.
- Sensitivity analysis of key risks and uncertainties included in the financial forecasts and stress testing of complex, multivariate scenarios.
- Monthly budget reviews with budget holders and detailed monthly reporting of expected outturns to ensure that agreed levels of surplus are achieved
- Reporting of treasury management activity and loan covenant compliance to ensure that the Group complies not only with its formal covenants, but also with its own internally approved golden rules (set at a more challenging level than the formal covenants)
- Setting, and regular review, of Group policies in compliance with legislation and regulatory requirements and in line with best practice in the sector
- Development of business continuity plans for all service areas and reporting of the outcomes of regular testing of those plans
- Scanning of the housing and care environments and reporting the impact of issues on the Group.

Internal Audit

The Group's internal audit function is delivered by RSM, a third-party provider, who are responsible for delivering the annual internal audit plan as approved by the Audit and Assurance Committee. As a result of the specific internal audit work completed in the year, the internal auditors concluded that there was an adequate and effective system of internal control in place during 2023/24.

The reviews carried out by internal audit provide independent assurance to the Board via the Audit and Assurance Committee. There is a rigorous procedure in place to ensure that recommendations arising from internal audit reviews are carefully considered and implemented or, occasionally, varied with the agreement of the Audit and Assurance Committee.

Internal Audit Reports 2023/24

Management Action priority

High	**0%**
Medium	**35%**
Low	**65%**

Internal Audit Reports 2023/24

Assurance opinions

Substantial assurance	**6**
Reasonable assurance	**2**
Advisory only	**3**

Anti-fraud and corruption

The Group is committed to ensuring that all its officers, staff and contractors act at all times with honesty and integrity and adequately safeguard the assets for which the organisation is responsible. Fraud awareness training commenced in 2022/23 and continues to be rolled out to all employees.

The Group maintains a fraud register, which is reviewed by the Audit and Assurance Committee at each meeting. Incidents of fraud are discussed at committee meetings, together with details of action taken and consequent improvements in controls.

During the year, the organisation has not identified or become aware it has been subject to any instances of fraud.

The Group takes all instances of alleged fraud very seriously and makes use of its own internal disciplinary procedures or involves the police as appropriate. Material cases of fraud to the Group's funds are reported to the Regulator of Social Housing.

Disclosure of information to auditors

So far as each of the directors of the organisation is aware, at the time this report is approved:

- There is no relevant audit information of which the organisation's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Auditors

A resolution to re-appoint Beever and Struthers as external auditors will be proposed at the annual general meeting.

Annual general meeting

The annual general meeting will be held on 25 September 2024 at The Wrekin Housing Group, Colliers Way, Old Park, Telford, TF3 4AW.

The report of the Board was approved by the Board on 11 September 2024 and signed on its behalf by:

Janet Lycett

Company Secretary

Janet Lycett

Statement of the responsibilities of the Board

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The statement of responsibilities of the Board was approved by the Board on 11 September 2023 and signed on its behalf by:

Chair

Desmond Hudson

Independent auditor's report to the members of The Wrekin Housing Group Limited

Opinion

We have audited the financial statements of The Wrekin Housing Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Association Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the Association Statement of Financial Position, the Consolidated Statement of Cash Flows, and the notes to the financial statements including a summary of significant accounting policies in note 2. 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 Group's and of the Association's affairs as at 31 March 2024 and of the Group'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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The audit opinion is consistent with the additional report to the Audit and Assurance Committee.

We were first appointed as auditor of The Wrekin Housing Group Limited by the Board for the period ending 31 March 2022. The period of total uninterrupted engagement for the Group is for three financial years ending 31 March 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group and Association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Our application of materiality and an overview of the scope of our audit

Materiality Materiality for the Group financial statements as a whole was set at £2,027k, determined with reference to a benchmark of Group Turnover (of which it represents 1.75%). We consider Group turnover to be the most appropriate benchmark and more appropriate than a profit-based benchmark as the Group is a not-for-profit organisation and the focus is on turnover rather than any surpluses, which are reinvested in the Group. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed which was 75% and £1,520k for the Group.

We set materiality for each component of the Group based on a percentage of turnover, dependent on the size and our assessment of the risk of material misstatement of that component. Materiality for the parent association financial statements as a whole was set at £1,795k, determined with reference to a benchmark of Association Turnover (of which it represents 1.75% and we ensured it was at a level to ensure that the risk of errors exceeding Group materiality was appropriately mitigated). The parent association performance materiality was 75% and £1,346k.

We agreed to report to the Audit and Assurance Committee any corrected or uncorrected identified misstatements exceeding £101k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's reporting components we subjected all to full scope audits for Group purposes. The work on all components including the audit of the parent Association, was performed by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (where or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address these matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Housing Properties – capitalisation of new build development costs

Group and Association

The risk – significant risk high value

Development is a key activity for the parent Association. Judgements as to whether expenditure is capital or revenue in nature is an area that has a key impact on our audit approach. Our overall assessment of misstatement is therefore that housing property additions is a significant risk within our audit approach. The Group recognised additions of £65m for properties under development (refer to pages 56 and 58 (basis of accounting) and pages 77 and 78 (financial disclosures)).

Our response

Our procedures included:

- **Test of detail:** We agreed a sample of capital additions in the year to invoice or certificates and evaluated key controls over capitalisation. We tested a sample of revenue expenditure items and checked that they were not capital.
- **Review against accounting standards**: We reviewed amounts capitalised in our sample testing against the requirements in FRS 102 and guidance in the Statement of Recommended Practice 2018.
- **Test of detail:** We considered the assessment of whether there was any evidence of impairment, and we reviewed a sample of completed schemes and schemes in development to consider if there were triggers for impairment and investigated instances where costs exceeded budget.
- **Test of detail**: We confirmed that accruals have been made for significant development expenditure incurred up to 31 March 2024 but not yet invoiced, and reviewed a sample of transactions to assess if cut off had been applied correctly.

- **Test of detail**: We reviewed the policy on overhead capitalisation, confirmed that the costs capitalised are directly attributable to developments, and reviewed the basis of the apportionment used.

Our results

We noted no material exceptions through performing these procedures.

Going Concern – financial performance, treasury management, loan covenants and macro economic conditions

Group and Association

The risk – significant risk high value

The Group posted a full year surplus of £9.8m before actuarial gains on pension schemes. At 31 March 2024 the Group had borrowings of £569m (refer to pages 55 and 60 (basis of accounting) and page 86 (financial disclosures)).

The Group is operating in a current economic environment that is volatile, uncertain and complex. There is a direct impact on the Group's activities and a cost of living crisis that directly affects the Group's tenants and residents. This implies a direct risk to the Group's ability to maintain income collection rates and increases the risk of arrears, bad debts and rising costs of repair services. Stress testing business plans can illustrate the level of financial resilience and the Group's ongoing capability to manage sequences of negative events.

The risk is that the Group might have insufficient liquidity to finance its development programme or might breach a funding covenant set out within the agreements in place with a range of funders.

Our response

Our procedures included the following:

- **Confirmation of value:** We agreed loan balances to the accounting records and to external confirmation from the funders. We agreed the bond opening position to the prior year signed financial statements and supporting workings. We reviewed the calculation of amortisation during the year. We agreed loan balances to the accounting records and to external confirmation from the funders, alongside confirming drawdowns and repayments.
- **Test of detail:** We tested the detailed calculations for loan covenant compliance prepared by management, both for the year ended 31 March 2024 and projected future performance.
- **Review of business plan:** We have reviewed the Group's long term financial plans and covenant projections, and the underlying assumptions, to assess the Group's ability to service and repay the debt, including the availability of funding.
- **Review of stress testing:** We have reviewed the stress testing of the business plan and considered the potential impact on the financial statements, as well as on the Group's financial viability into the foreseeable future and its status as a going concern.

Our results

Our audit work concluded that all loan covenants calculations, as prepared by management, were met at 31 March 2024 and are expected to be met in the longer term.

The Group has forecasted to retain compliance with banking covenants now and for the foreseeable future with sufficient profitability and cash flows from operating activities. Across a range of stress testing scenarios, including those linked to macro-economic conditions, the Group financial forecasts demonstrate that it expects to remain comfortably within its funding covenants with adequate loan facilities.

Defined Benefit Pension Scheme

Group and Association

The risk – significant risk high value

The Group participates in a Defined Benefit Local Government Pension scheme where the pension scheme assets and liabilities are valued for Section 28 FRS 102 purposes and the financial statements disclose the net position and the assumptions used by the Group in completing the valuation of the pension deficit and the movements in the year. The scheme liability requires a calculation which uses a number of assumptions and variations in these assumptions could significantly affect the liability.

The effect of these matters is that we determined that the defined benefit pension scheme obligation has a high degree of estimation uncertainty.

Refer to pages 56 and 57 (basis of accounting) and pages 71 to 74 (financial disclosures).

Our response

Our procedures included the following:

- **Assessing the credentials of the schemes' actuaries:** We reviewed the credentials of the scheme actuaries to assess that they are appropriately experienced and skilled advisors appointed to undertake the pension scheme valuations.
- Confirmation of value: We challenged, with the support of our own auditor's expert, the key
- assumptions and actuarial methodology applied to calculate the liability, including the discount rate, inflation rate and mortality/life expectancy to ensure they are consistent with wider sector expectations and that the sensitivity of the liability to changes in certain assumptions is adequately disclosed.
- Assessment of asset values: We reviewed the split of assets held in the scheme and movements in the asset valuations, as well as reviewing the controls report for the custodians of the fund.
- Confirmation of reporting: We agreed the relevant accounting entries and reviewed the
- disclosures and the notes to the accounts to ensure they comply with Section 28 of FRS 102.
- Recoverability of the calculated surplus: No net asset has been recognised. We have reviewed the approach to the restriction of the surplus.

Our results

We confirmed that the assumptions used in the calculation of the balances in the financial statements are within reasonable parameters and are in line with the recommendations of the schemes' actuaries.

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. We evaluated management's assessment of the Group's ability to continue as a going concern within the key audit matter on page 44.

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 Annual 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 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:

- the Association has not maintained a satisfactory system of control over transactions; 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.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 41, 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. 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.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the 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, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Statutory Auditor:

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 24/9/24

Consolidated Statement of Comprehensive Income

	Note	2024 £'000	2023 £'000
Turnover	3	115,832	103,045
Operating costs	3	(85,734)	(83,779)
Gain on disposal of housing properties	4	1,451	1,958
Movement in the fair value of assets	17	288	204
Operating surplus	6	31,837	21,428
Interest receivable and similar income	7	919	432
Interest payable, financing and similar costs	8	(22,814)	(18,667)
Surplus on ordinary activities before taxation		9,942	3,193
Tax on surplus on ordinary activities	12	(185)	37
Surplus for the year		9,757	3,230
Actuarial gain in respect of pension schemes	11	10,208	49,186
Effect of asset ceiling	11	(82)	-
Total comprehensive income for the year		19,883	52,416

The consolidated results relate wholly to continuing activities. The accompanying notes on pages 55-92 form part of these financial statements. The financial statements were approved by the Board on 11 September 2024 and signed on its behalf by:

Chair	**Board Member**	**Secretary**
Desmond Hudson	Deborah Griffiths	Janet Lycett

Association Statement of Comprehensive Income

	Note	2024 £'000	2023 £'000
Turnover	3	102,572	89,997
Operating costs	3	(71,132)	(68,073)
Gain on disposal of housing properties	4	1,451	1,958
Movement in the fair value of assets	17	288	204
Gift aid covenanted from subsidiary	34	1,513	1,776
Operating surplus	6	34,692	25,862
Interest receivable and similar income	7	845	373
Interest payable, financing and similar costs	8	(22,797)	(18,652)
Provision for intercompany debt	20	(2,583)	-
Surplus before taxation		10,157	7,583
Tax on surplus	12	(8)	(11)
Surplus for the year		10,149	7,572
Actuarial gain in respect of pension schemes	11	10,208	49,186
Effect of asset ceiling	11	(82)	-
Total comprehensive income for the year		20,275	56,758

The Association's results relate wholly to continuing activities. The accompanying notes on pages 55-92 form partof these financial statements. The financial statements were approved by the Board on 11 September 2024 and signed on its behalf by

Chair	**Board Member**	**Secretary**
Desmond Hudson	Deborah Griffiths	Janet Lycett

Consolidated Statement of Changes in Reserves

	Revenue Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 March 2022	54,557	846	55,403
Surplus for the year	3,230	-	3,230
Other comprehensive income for the year	49,186	-	49,186
Balance at 31 March 2023	106,973	846	107,819
Surplus for the year	9,757	-	9,757
Other comprehensive income for the year	10,126	-	10,126
Balance at 31 March 2024	126,856	846	127,702

Association Statement of Changes in Reserves

	Revenue Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 March 2022	56,871	846	57,717
Surplus for the year	7,572	-	7,572
Other comprehensive income for the year	49,186	-	49,186
Balance at 31 March 2023	113,629	846	114,475
Surplus for the year	10,149	-	10,149
Other comprehensive income for the year	10,126	-	10,126
Balance at 31 March 2024	133,904	846	134,750

The accompanying notes on pages 55-92 form part of these financial statements.

Consolidated Statement of Financial Position

	Note	2024 £'000	2023 £'000
Non-Current Assets			
Intangible Assets	13	7	20
Housing properties	14	819,595	764,411
Investment properties	17	20,101	19,813
Other tangible fixed assets	15	3,622	3,897
		843,325	788,141
Current assets			
Stock		384	497
Properties for sale	19	1,880	2,175
Debtors	20	4,280	4,004
Cash and cash equivalents	21	25,418	31,166
		31,962	37,842
Creditors: amounts falling due within one year	22	(29,418)	(29,856)
Net current assets		2,544	7,986
Total assets less current liabilities		845,869	796,127
Creditors: amounts falling due after more than one year	23	(718,167)	(678,263)
Pension asset/(liability)	11	-	(10,045)
Total net assets		127,702	107,819
Capital and reserves			
Revenue reserve	27	126,856	106,973
Restricted reserve	27	846	846
Group's funds		127,702	107,819

The accompanying notes on pages 55-92 form part of these financial statements. The financial statements were approved by the Board on 11 September 2024 and signed on its behalf by:

Chair	**Board Member**	**Secretary**
Desmond Hudson	Deborah Griffiths	Janet Lycett

Association Statement of Financial Position

	Note	2024 £'000	2023 £'000
Non-Current Assets			
Intangible Assets	13	7	20
Housing properties	14	827,354	771,047
Investment properties	17	20,101	19,813
Other tangible fixed assets	15	2,721	2,900
Investment in subsidiaries	16	237	-
Debtors: amounts falling due after more than one year	20	1,438	-
		851,858	793,780
Current assets			
Stock		346	459
Properties for sale	19	1,880	2,175
Debtors	20	4,993	5,920
Cash and cash equivalents	21	17,042	24,347
		24,261	32,901
Creditors: amounts falling due within one year	22	(24,342)	(25,052)
Net current (liabilities) / assets		(81)	7,849
Total assets less current liabilities		851,777	801,629
Creditors: amounts falling due after more than one year	23	(717,027)	(677,109)
Pension asset/(liability)	11	-	(10,045)
Total net assets		134,750	114.475
Capital and reserves			
Revenue reserve	27	133,904	113,629
Restricted reserve	27	846	846
Association's funds		134,750	114,475

The accompanying notes on pages 55-92 form part of these financial statements. The financial statements were approved by the Board on 11 September 2024 and signed on its behalf by:

Chair
Desmond Hudson

Board Member
Deborah Griffiths

Secretary
Janet Lycett

Consolidated Statement of Cash Flows

	Note	2024 £'000	2023 £'000
Net cash generated from operating activities	29	46,026	40,149
Cash flow from investing activities			
Purchase of tangible fixed assets		(80,378)	(80,810)
Proceeds from the sale of tangible fixed assets		8,073	3,161
Grants received		13,332	15,596
Interest received		921	380
		(58,052)	(61,673)
Cash flow from financing activities			
Interest and other finance costs paid		(24,722)	(18,800)
New secured loans		64,000	37,500
Repayment of borrowings		(33,000)	-
		6,278	18,700
Net change in cash and cash equivalents		(5,748)	(2,824)
Cash and cash equivalents at beginning of year		31,166	33,990
Cash and cash equivalents at end of year		25,418	31,166

The accompanying notes on pages 55-92 form part of these financial statements.

Notes to the Financial Statements

1. Legal status

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

Its subsidiaries, Old Park Services Limited and Strata Housing Services Limited, are incorporated under the Companies Act 2006 (limited by share capital) and Choices Housing Association Limited is incorporated under the Co-operative and Community Benefits Societies Act 2014, under charitable rules and is also a Registered Provider of social housing. The registered address of the Association is Colliers Way, Old Park, Telford, TF3 4AW.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Group is a public benefit entity in accordance with FRS 102.

The financial statements are presented in sterling (£).

The individual accounts of the Association have adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes; and
- Financial instrument disclosures including:
  - Categories of financial instruments;
  - Items of income, expenses, gains or losses relating to financial instruments; and
  - Exposure to, and management of, financial risks.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Association and its subsidiaries. All intra-group transactions and balances and income and expenditure are eliminated on consolidation.

Going Concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2025. For this reason, it continues to adopt the going concern basis in the financial statements.

Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

- **Classification of loans as basic:** Management have considered the terms of the Group's lending arrangements and concluded that they meet the definition of basic financial instruments, and are therefore held at amortised cost. Please see note 26.
- **Categorisation of housing properties:** Management have reviewed the intended use of all housing properties. In determining the intended use, management has considered if the asset is held for social benefit or to earn commercial rentals. Management have concluded that market rented properties are investment properties. These properties have been valued by external valuers on the basis of open market value and could be sold with vacant possession within a short time period.

Note 2 continues overleaf

- **Impairment:** The Group has identified a cash generating unit (CGU) for impairment assessment purposes at a property scheme level.
- **Development expenditure:** The Group capitalises development expenditure in respect of new developments of social and affordable housing. Initial capitalisation of costs is based on management's judgement that a 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.

Other key sources of estimation and assumptions:

- **Useful lives of depreciable assets:** Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to Decent Homes Standards which may require more frequent replacement of key components. Accumulated depreciation on housing properties at 31 March 2024 was £142.9m, (please see note 14). Accumulated depreciation on other fixed assets at 31 March 2024 was £10.1m, (please see note 15).
- **Impairment of non-financial assets:** At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the Statement of Comprehensive Income. During the year no triggers for impairment were identified.
- **Defined benefit obligation (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Sensitivity analysis is detailed in note 11. At 31 March 2024 the valuation under FRS102 indicated a net asset position of £82,000. Management has applied an asset ceiling of an equal amount to reduce the net asset to £nil since, in accordance with FRS102, management does not believe that the surplus is recoverable.
- **Intra Group Loan:** During the year the parent company made a loan advance of £1.6m to its subsidiary, Choices Housing Association at a zero rate of interest. The loan is intended to support the operational activities of Choices whilst it actively implements the actions arising from the Board's review of care provision within the Group. The loan is subject to a bullet repayment at the end of three years. The Group has considered the recoverability of the loan at the end of the three year period, including the potential delay in repayment if Choices does not actively achieve its business performance as projected in the latest business plan. Whilst estimation uncertainty exists around the recoverability of the loan, management have concluded that as at the reporting date the loan remains recoverable.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year net of any voids in respect of housing and garages, service charges to leaseholders in respect of services provided and communal repairs, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and income from government grants. Turnover also includes income from the delivery of care services to individuals. Income from property sales, the disposal of assets held for sale and income from services provided to third parties through the trading subsidiary is also recognised as turnover.

Rental income is recognised from the point properties or garages become available for letting. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been provided. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services are recognised as they fall due under the contractual arrangements with administering authorities. Income from leaseholder service charges is recognised from the point the lease is assigned. Income from care services is recognised at the point of delivery to the service user. Income from first tranche sales, sales of properties, sales of assets held for sale and sales of other fixed assets is recognised at the point of legal completion of the sale. Income from services provided to third parties through the trading subsidiary is recognised at the point of delivery of the service.

Note 2 continues overleaf

Housing property disposals

Gains or losses arising on the disposal of housing properties (including the sale of properties under the Right to Buy and Right to Acquire schemes) are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the operating surplus/deficit for the year. Any capital grant associated with properties sold is to be recycled through the Recycled Capital Grant Fund (RCGF).

Value added tax

The Group's main income stream, being rent, is exempt for VAT purposes. The majority of expenditure is subject to VAT, which it is unable to reclaim – this expenditure is therefore shown inclusive of VAT. VAT can be reclaimed under the partial exemption method for certain other activities, and this is credited to the Statement of Comprehensive Income.

Corporation tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 Association and Choices Housing Association Limited have charitable status and are therefore not subject to corporation tax on the surplus arising from charitable activities. Provision is made for the tax liabilities which arise on the surplus arising on the Association's non-charitable activities. Provision is also made for any tax liabilities that arise within Old Park Services Limited and Strata Housing Services Limited.

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

Interest payable, financing and similar costs

Interest payable, financing and similar costs are charged to the Statement of Comprehensive Income using the effective interest rate method.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

Pensions

The Group participates in the Shropshire County Pension Fund (SCPF). This is a defined benefit career average salary pension scheme administered by Shropshire County Council in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998. The assets of the scheme are invested and managed independently of the finances of the Group.

For the SCPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets in the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. At 31 March 2024 there was a net surplus of £82,000 which has been reduced to £nil by effecting an asset ceiling as management deem the surplus to be irrecoverable.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Note 2 continues overleaf

Gift aid donation

The Association received charitable donations from its wholly owned subsidiaries, Old Park Services Limited and Strata Housing Services Limited, during the year. This has been accounted for as income in the Association's Statement of Comprehensive Income for the year.

Gift aid is recognised at the earlier of the point there is a legal obligation or when paid. Amounts recognised in the current and prior financial period have been recognised on payment.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Works to existing properties are capitalised when they either replace a component that has been treated separately for depreciation purposes or are improvement works that result in an increase in the net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying value to its recoverable amount. Where the carrying value of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Group, its recoverable amount is its fair value less costs to sell.

Investment properties

Investment properties consist of market rented residential properties. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in value recognised in the Statement of Comprehensive Income. These properties have been valued by external valuers on the basis of open market value as they are market-rented properties, rather than social housing properties, which could be sold with vacant possession within a short time period. The market value is based upon an analysis of comparable transactions which have taken place in the area, and the valuer's background knowledge of the local market.

Government grants

Government grants include grants receivable from Homes England and its predecessor bodies, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and the funds will be received.

Grants due from the funding bodies or received in advance is included as a current asset or liability.

Grants released on the sale of a property may be repayable but are normally available to be recycled and credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

Note 2 continues overleaf

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the recognition criteria are satisfied is recognised as a liability.

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties and charges depreciation, so as to write down the cost of each component to nil, on a straight-line basis over its estimated useful economic life. Freehold land is not depreciated. The structural components of its housing properties are depreciated at the following annual rates:

Component	Depreciable Life (Years)
Structure	100
Roof	60
Boiler	15
Heating System	30
Kitchen	20
Bathroom	30
Windows	30
Doors	25
Electrics	40
Consumer units	30
Solar Panels	20
Air Source Heat Pumps	30
Communal building	100
Vertical lifts	15

Other fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	25 years
Sheltered scheme furniture, fixtures and fittings	5 years
Computers and office equipment	1 to 3 years
Plant, machinery and vehicles	5 years

Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Properties for sale

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

Note 2 continues overleaf

Provision for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Stock

Stocks are materials held on vans for use by tradesmen. Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Loans

Loans, which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102, are recognised initially at the transaction price. Loans are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the principal is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest rate method.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the Group's Statement of Financial Position consist of cash at bank, in hand, deposits and short-term investments which can be accessed instantly.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at the transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Segmental reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the executive management group. In line with the segments reported to the CODM, the presentation of these financial statements and accompanying notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022 and is considered appropriate. Management consider the Regulator's Accounting Direction Note A and B to be the same information for the purposes of IFRS8 segmental reporting, as required by the SORP 3.8.

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment. Segmental information is disclosed in note 3.

3. Turnover, operating costs and operating surplus

Continuing activities (Group)

Group	2024 Turnover £'000	2024 Operating costs £'000	2024 Operating surplus £'000	2023 Turnover £'000	2023 Operating costs £'000	2023 Operating surplus £'000
Social housing lettings	89,901	(66,642)	23,259	81,058	(63,873)	17,185
Other social housing activities:						
Renting & letting of garages	830	(252)	578	778	(106)	672
Leaseholder service charges & communal repairs	513	(513)	-	440	(440)	-
Shared ownership 1st tranche sales	1,377	(795)	582	2,603	(1,416)	1,187
Other	370	(997)	(627)	559	(1,127)	(568)
	92,991	(69,199)	23,792	85,438	(66,962)	18,476
Activities other than social housing:						
Care activities	6,415	(10,888)	(4,473)	6,025	(11,693)	(5,668)
Other revenue government grants	-	-	-	52	-	52
Third party repairs contracts	2,456	(1,885)	571	1,994	(1,483)	511
Market rented properties	980	(158)	822	881	(147)	734
Community centres and social enterprise	69	(204)	(135)	66	(226)	(160)
Furniture recycling and waste management	501	(687)	(186)	683	(1,068)	(385)
Other non social housing activities	351	(292)	59	293	(237)	56
Gain on disposal of assets held for sale	12,069	(2,412)	9,657	7,609	(1,963)	5,646
Loss on disposal of other fixed assets	-	(9)	(9)	4	-	4
Gain/(loss) on disposal of housing properties	-	-	1,451	-	-	1,958
Movement in the fair value of assets	-	-	288	-	-	204
Total Operating Surplus	115,832	(85,734)	31,837	103,045	(83,779)	21,428

Note 3 continues overleaf

Continuing activities (Association)

Association	2024 Turnover £'000	2024 Operating costs £'000	2024 Operating surplus £'000	2023 Turnover £'000	2023 Operating costs £'000	2023 Operating surplus £'000
Social housing lettings	86,288	(65,960)	20,328	76,754	(62,796)	13,958
Other social housing activities:						
Renting & letting of garages	830	(252)	578	778	(106)	672
Leaseholder service charges & communal repairs	513	(513)	-	440	(440)	-
Shared ownership 1st tranche sales	1,377	(795)	582	2,603	(1,416)	1,187
Other	370	(997)	(627)	559	(1,127)	(568)
	89,378	(68,517)	20,861	81,134	(65,885)	15,249
Activities other than social housing:						
Property lease income-group companies	978	-	978	1,166	-	1,166
Community centres and social enterprise	69	(203)	(134)	66	(225)	(159)
Other non social housing activities	78	-	78	22	-	22
Gain on disposal of assets held for sale	12,069	(2,412)	9,657	7,609	(1,963)	5,646
Gain on disposal of housing properties	-	-	1,451	-	-	1,958
Movement in the fair value of assets	-	-	288	-	-	204
Gift aid covenanted from subsidiaries	-	-	1,513	-	-	1,776
Total Operating Surplus	102,572	(71,132)	34,692	89,997	(68,073)	25,862

Note 3 continues overleaf

Particulars of income and expenditure from social housing lettings (Group)

Group	General needs housing 2024 £'000	Supported housing & housing for older people 2024 £'000	Total 2024 £'000	Total 2023 £'000
Rents receivable net of identifiable service charges	61,762	16,859	78,621	71,338
Service charge income	1,461	8,220	9,681	8,244
Amortised government grants	1,312	2	1,314	1,212
Other revenue government grants	285	-	285	264
Turnover from social housing lettings	64,820	25,081	89,901	81,058
Management	(6,426)	(4,420)	(10,846)	(10,421)
Service charge costs	(2,026)	(10,197)	(12,223)	(13,091)
Routine maintenance	(15,563)	(3,699)	(19,262)	(16,678)
Rent losses from bad debts	(217)	(19)	(236)	(202)
Major repairs expenditure	(7,668)	(1,538)	(9,206)	(9,339)
Depreciation of housing properties	(12,459)	(2,410)	(14,869)	(14,142)
Operating costs on social housing lettings	(44,359)	(22,283)	(66,642)	(63,873)
Operating surplus on social housing lettings	20,461	2,798	23,259	17,185
Void losses	402	731	1,133	2,001

Note 3 continues overleaf

Particulars of income and expenditure from social housing lettings (Association)

Association	General needs housing 2024 £'000	Supported housing & housing for older people 2024 £'000	2024 £'000	2023 £'000
Rents receivable net of identifiable service charges	61,762	13,431	75,193	67,207
Service charge income	1,461	8,037	9,498	8,073
Amortised government grants	1,312	-	1,312	1,210
Other revenue government grants	285	-	285	264
Turnover from social housing lettings	64,820	21,468	86,288	76,754
Management	(6,426)	(4,235)	(10,661)	(10,215)
Service charge costs	(2,056)	(10,035)	(12,091)	(12,718)
Routine maintenance	(15,563)	(3,365)	(18,928)	(16,208)
Rent losses from bad debts	(217)	(19)	(236)	(202)
Major repairs expenditure	(7,668)	(1,538)	(9,206)	(9,339)
Depreciation of housing properties	(12,459)	(2,379)	(14,838)	(14,114)
Operating costs on social housing lettings	(44,389)	(21,571)	(65,960)	(62,796)
Operating surplus on social housing lettings	20,431	(103)	20,328	13,958
Void losses	402	335	737	722

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4. Surplus on sale of housing assets

Group and Association	Right to Buy Sales £'000	Right to Acquire Sales £'000	Low Cost Home Ownership Sales £'000	Other Sales £'000	Total 2024 £'000	Total 2023 £'000
Disposal proceeds	589	1,445	165	6,220	8,419	3,152
Carrying value of fixed assets	(202)	(528)	(97)	(6,141)	(6,968)	(1,194)
	387	917	68	79	1,451	1,958

*In November 2023 the Group disposed of its Limewood Dementia Care Unit generating a surplus on disposal of £79,000.

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5. Accommodation in management

Accommodation in management for each class of accommodation was as follows:

Group	2023 No.	2024 Additions	2024 Disposals	2024 Other	2024 No.
Social housing					
General needs housing at social rent	7,995	28	(131)	(1)	7,891
General needs housing at affordable rent	2,608	233	(3)	(15)	2,823
Supported housing at social rent	1,396	-	-		1,396
Supported housing at affordable rent	749	54	-		803
Low cost home ownership	323	2	(1)	16	340
Residential care homes	96	-	(59)		37
Non-social housing					
Market rented	132	-	-	-	132
Total owned	13,299	317	(194)	-	13,422
Social housing managed for others					
Registered care homes	29	-	-		29
Other social housing	23	-	(23)	-	-
Total owned or managed	13,351	317	(217)	-	13,451
Properties where the Group had residual freehold interest	590	-	(29)	4	565
	13,941	317	(246)	4	14,016

In year additions comprise 316 units acquired through development and one unit being a leaseholder buyback purchase.

Accommodation in development at 31 March 2024 was 811 units (2023:870 units)

Of the total properties owned, 19 (2023: 19) were managed by third parties.

Note 5 continues overleaf

Association	2023 No.	2024 Additions	2024 Disposals	2024 Other	2024 No.
Social housing					
General needs housing at social rent	7,995	28	(131)	(1)	7,891
General needs housing at affordable rent	2,608	233	(3)	(15)	2,823
Supported housing at social rent	1,377	-	-		1,377
Supported housing at affordable rent	749	54	-		803
Low cost home ownership	323	2	(1)	16	340
Non-social housing					
Market rented	132	-	-		132
Total owned	13,184	317	(135)	-	13,366
Social housing managed for others					
Other social housing	23	-	(23)	-	-
Total managed	13,207	317	(158)	-	13,366
Properties where the Group had residual freehold interest	590	-	(29)	4	565
	13,797	317	(187)	4	13,931

In year additions comprise 316 units acquired through development and one unit being a leaseholder buyback purchase.

Accommodation in development at 31 March 2024 was 811 units (2023:870 units)

6. Operating surplus

The operating surplus is arrived at after charging/(crediting):

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Gain on disposal of housing properties	(1,451)	(1,958)	(1,451)	(1,958)
Gain on disposal of other fixed assets	9	(4)	-	-
Amortisation of intangible assets	13	85	13	85
Depreciation of housing properties	14,869	14,142	14,838	14,114
Depreciation released on disposal:				
Properties	(989)	(325)	(989)	(325)
Components	(2,082)	(2,173)	(2,082)	(2,173)
Depreciation of other tangible fixed assets	595	642	455	492
Operating lease charges:				
Equipment	496	416	467	371
Vehicles and plant	1,090	1,126	1,091	1,126
Land and buildings	304	423	211	313
Auditor's remuneration (excluding VAT):				
for audit services	105	98	73	68
for non-audit services	-	-	-	-

7. Interest receivable and similar income

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Interest received from temporary investments with banks and building societies	918	424	769	365
Other interest receivable	1	8	76	8
	919	432	845	373

8. Interest payable, financing costs and similar charges

		Group		Association
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Loans repayable within five years	10,150	4,540	10,133	4,525
Loans wholly or partly repayable in more than five years	11,383	11,742	11,383	11,742
Funders security/facility fee	536	784	536	784
Valuer's fee	311	82	311	82
Defined benefit pension charge	434	1,518	434	1,518
Other interest payable	-	1	-	1
	22,814	18,667	22,797	18,652

9. Employees

Average monthly number of employees expressed in full time equivalents
(calculated based on a standard working week of 36 hours)

		Group		Association
	2024	**2023**	**2024**	**2023**
	No.	**No.**	**No.**	**No.**
Office staff	384	392	376	383
Trades and retail employees	204	196	204	196
Scheme managers, estate officers and cleaners	68	67	68	67
Care	313	318	-	-
	969	973	648	646

Note 9 continues overleaf

Staff costs

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	31,913	29,839	22,666	20,785
Social security costs	2,933	2,801	2,283	2,143
Other pension costs	2,243	4,939	2,027	4,701
	37,088	37,579	26,976	27,629

The following full-time equivalent numbers of staff, including executive directors, received emoluments, including compensation for loss of office, of:

	Group		Association	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 - £70,000	8	8	8	6
£70,001 - £80,000	6	5	5	5
£80,001 - £90,000	6	3	5	3
£90,001 - £100,000	3	2	3	2
£100,001 - £110,000	-	3	-	3
£120,001 - £130,000	3	-	3	-
£130,001 - £140,000	-	2	-	2
£140,001 - £150,000	1	1	1	1
£150,001 - £160,000	2	-	2	-
£180,001 - £190,000	-	-	-	-
£190,001 - £200,000	1	1	1	1
Total	30	25	28	23

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10. Key management personnel, board members and executive directors

Expenses paid during the period to board members amounted to £5,858 (2023: £7,547).

The aggregate amount of the total cost of key management personnel to the business (including benefits in kind and pension contributions) during the year was £972,978 (2023: £883,113).

	2024	2023
Executive directors	**£'000**	**£'000**
Basic salary	630	577
Benefits in kind (car provision)	25	30
Pension contributions	121	95
	776	702
Employer's social security contributions	82	78
Total	858	780
Board members		
Fees	114	102
Social security contributions	1	1
	115	103

The pension costs disclosed in the table above represent the employer contributions in respect of the key management personnel. The actuary for the Local Government Pension Scheme does not provide details of current or past service cost on an individual member basis and, therefore, the disclosure represents the contributions payable only rather than the total amount charged to operating costs in respect of the key management personnel.

All Board member fees were met by The Wrekin Housing Group Limited. Disclosure of fees paid to individual board members is included within the Report of the Board.

The emoluments of the highest paid director, the Group Chief Executive were £201,965 (2023: £193,632). The Group Chief Executive is a member of the Local Government Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual arrangement for the Group Chief Executive.

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11. Pensions

Group

The Group participates in the Shropshire County Pension Fund which is a defined benefit career average salary pension scheme. Triennial actuarial valuations are performed by a qualified actuary using the “projected unit” method. The most recent formal valuation of the fund was completed as at 31 March 2022 and rolled forward, allowing for the different financial assumptions required under FRS102, to 31 March 2024, by a qualified independent actuary. At 31 March 2024 the valuation in accordance with FRS102 resulted in a net surplus of £82,000. As FRS102 states that a surplus can only be recognised to the extent that it is recoverable through reduced contributions in future or through refunds from the plan, management have taken the decision to effect an asset ceiling in the sum of £82,000 thereby reducing the net surplus to £nil.

The Group made the decision to close the scheme to new entrants with effect from 1 September 2020. New employees are offered membership of a Smart defined contribution pension with employer contributions ranging from 10-14%.

Contributions

The employer’s contributions to the Shropshire County Pension Fund (SCPF) by the Group for the year ended 31 March 2022 were £2,380,000 (2023: £2,430,000) and the employer’s contribution rate was fixed at 20% of pensionable pay until 31 March 2024 with regard to future service benefits. For the 2024/25 year this rate will remain at 20%. In addition, annual lump sum payments are being made in respect of past service deficits. The lump sum payment for 2023/24 was £30,400, and will be £146,700 in 2024/25. The Group will continue to make additional lump sum payments in line with the deficit contribution schedule, as agreed with the SCPF, payable over 22 years. As a result of the 2022 valuation, deficit contributions will be £153,100 in 2025/26. The deficit contributions will be revised on receipt of the March 2025 valuation.

Principal actuarial assumptions

	31 March 2024 % per annum	31 March 2023 % per
Rate of increase in salaries	3.1	3.2
Rate of increase in pensions in payment	2.7	2.8
Discount rate	4.9	4.9
Inflation assumption	2.6	2.7

Note 11 continues overleaf

Mortality Assumptions

The post retirement mortality assumptions used to value the benefit obligation at March 2023 and March 2024 are based on the PA92 series. The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2024 No. of years	2023 No. of years
Retiring today:		
Males	21.8	22.2
Females	24.2	24.5
Retiring in 20 years:		
Males	23.1	23.5
Females	26.0	26.3

Amounts recognised in the Statement of Financial Position:

	2024 £'000	2023 £'000
Fair value of employer assets	120,894	108,856
Present value of funded liabilities	(120,812)	(118,901)
Impact of asset ceiling	(82)	-
Net asset/(liability)	-	(10,045)

Analysis of the amounts charged to the Statement of Comprehensive Income:

	2024 £'000	2023 £'000
Net interest cost	434	1,518
Current service cost	1,934	4,606
Administration expenses	93	95
Amount charged to operating costs	2,027	4,701
Total amount recognised in the Statement of Comprehensive Income	2,461	6,219

Note 11 continues overleaf

Reconciliation of opening and closing balances of the present value of scheme liabilities:

	2024 £'000	2023 £'000
Opening scheme liabilities	(118,901)	(167,032)
Current service cost	(1,934)	(4,606)
Interest cost	(5,748)	(4,639)
Contribution by members	(813)	(847)
Benefits paid	3,996	3,513
Actuarial gain	2,588	54,710
Closing scheme liabilities	(120,812)	(118,901)

Reconciliation of opening and closing balances of the fair value of plan assets:

	2023 £'000	2023 £'000
Opening fair value of plan assets	108,856	111,590
Interest income	5,314	3,121
Contributions by the employer	2,380	2,430
Contribution by members	813	847
Benefits paid	(3,996)	(3,513)
Administration expenses	(93)	(95)
Actuarial (loss)/gain	7,620	(5,524)
Closing fair value of plan assets	120,894	108,856

Note 11 continues overleaf

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

	2024	2023
Equities	56.5%	51.1%
Bonds	14.6%	18.8%
Property	3.5%	3.3%
Cash	1.4%	0.5%
Other	24.0%	26.3%

Sensitivity Analysis

Disclosure Item	None	0.5% p.a. discount rate	0.25% p.a. inflation	0.25% p.a. pay growth	1 Year increase in life expectancy	+1% change in 2023/24 investment returns	-1% change in 2023/24 investment returns
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	120,812	111,349	125,641	121,887	123,490	120,812	120,812
Assets	(120,894)	(120,894)	(120,894)	(120,894)	(120,894)	(120,099)	(119,689)
Deficit/ (Surplus) excluding impact of asset ceiling	(82)	(9,545)	4,747	993	2,596	713	1,123
Projected service cost for next year	1,853	1,601	1,990	1,853	1,903	1,853	1,853
Projected net interest cost for next year excluding impact of asset ceiling	(65)	(562)	181	(13)	66	(124)	(5)

The table above shows the sensitivity of the results of the calculations to changes in the actuarial assumptions used.

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12. Taxation

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Current tax				
UK corporation tax on surplus for the year	474	298	9	10
Adjustments in respect of prior years	(289)	(335)	(1)	1
Total current tax	185	(37)	8	11
Total tax on results on ordinary activities	185	(37)	8	11
Surplus on ordinary activities before tax	9,942	3,193	10,157	7,583
Theoretical tax at corporation tax rate of 25% (2023: 19%)	2,486	607	2,539	1,441
Effects of:				
Income not taxable for tax purposes	(18,103)	(10,125)	(25,323)	(18,093)
Expenses not deductible for tax purposes	16,091	9,816	25,793	16,662
Adjustments to tax in respect of prior periods	(289)	(335)	(1)	1
Total tax charge	185	(37)	8	11

The government announced an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. As the group has charitable status with HMRC the majority of its income is exempt from corporation tax. The directors do not consider the increase in the rate had material impact on the financial statements.

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13. Intangible fixed assets

Group and Association	Computer Software £'000	Total £'000
Cost		
At 1 April 2023	997	997
Additions	-	-
At 31 March 2024	997	997
Amortisation		
At 1 April 2023	977	977
Charged in year	13	13
At 31 March 2024	990	990
Net book value		
At 31 March 2023	20	20
At 31 March 2024	7	7

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14. Fixed assets - housing properties

Group	Social housing properties completed £'000	Social housing properties under development £'000	Shared ownership properties completed £'000	Shared ownership properties under development £'000	Total £'000
Cost					
At 1 April 2023	803,203	72,251	20,967	-	896,421
Improvements to existing properties	8,383	-	-		8,383
Additions	5,715	64,549	16	497	70,777
Change of tenure	(974)	-	974	-	-
Schemes completed	50,671	(50,671)	497	(497)	-
Transfer to assets held for sale	(2,601)	-	(811)	-	(3,412)
Disposals - properties	(7,513)	-	(70)	-	(7,583)
Disposals - components	(2,082)	-	-	-	(2,082)
At 31 March 2024	854,802	86,129	21,573	-	962,504
Depreciation and impairment					
At 1 April 2023	130,282	-	1,728	-	132,010
Change of tenure	(67)	-	67	-	-
Charged in year	14,709	-	160	-	14,869
Released on disposal - properties	(986)	-	(3)	-	(989)
Released on disposal - components	(2,082)	-	-	-	(2,082)
Transfer to assets held for sale	(862)	-	(37)	-	(899)
At 31 March 2024	140,994	-	1,915	-	142,909
Net book value					
At 31 March 2023	672,921	72,251	19,239	-	764,411
At 31 March 2024	713,808	86,129	19,658	-	819,595

Included in the depreciation charge for the year is £397k of accelerated depreciation on components disposed before the end of their useful economic lives (2023: £509k). Additions to existing properties include component replacements and improvements. Initially, the book value of stock transfer units comprised only land and buildings. Component replacements in these units do not therefore result in the de-recognition of any book value of replaced components.

Note 14 continues overleaf

Association	Social housing properties completed £'000	Social housing properties under development £'000	Shared ownership properties completed £'000	Shared ownership properties under development £'000	Total £'000
Cost					
At 1 April 2023	809,277	72,250	21,090	-	902,617
Improvements to existing properties	8,333	-	-	-	8,333
Additions	5,807	65,591	16	505	71,919
Change of tenure	(974)	-	974	-	-
Schemes completed	51,713	(51,713)	505	(505)	-
Transfer to assets held for sale	(2,601)	-	(811)	-	(3,412)
Disposals – properties	(7,513)	-	(70)	-	(7,583)
Disposals – components	(2,082)	-	-	-	(2,082)
At 31 March 2024	861,960	86,128	21,704	-	969,792
Depreciation and impairment					
At 1 April 2023	129,842	-	1,728	-	131,570
Change of tenure	(67)	-	67	-	-
Charged in year	14,678	-	160	-	14,838
Released on disposal - properties	(986)	-	(3)	-	(989)
Released on disposal - components	(2,082)	-	-	-	(2,082)
Transfer to assets held for sale	(862)	-	(37)	-	(899)
At 31 March 2024	140,523	-	1,915	-	142,438
Net book value					
At 31 March 2023	679,435	72,250	19,362	-	771,047
At 31 March 2024	721,437	86,128	19,789	-	827,354

Included in the depreciation charge for the year is £397k of accelerated depreciation on components disposed before the end of their useful economic lives (2023: £509k). Additions to existing properties include component replacements and improvements. Initially, the book value of stock transfer units comprised only land and buildings. Component replacements in these units do not therefore result in the de-recognition of any book value of replaced components.

Note 14 continues overleaf

Expenditure on works to existing properties

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Amounts capitalised – component replacement and improvement works	8,383	7,884	8,333	7,879
Amounts charged to Statement of Comprehensive Income	9,206	9,339	9,206	9,339
Total	17,589	17,223	17,539	17,218

Social housing grant (SHG)

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Total accumulated SHG receivable at 31 March:				
Recognised in the Statement of Comprehensive Income	9,477	9,113	9,611	8,361
Held as deferred income	139,593	128,186	138,439	127,018
	149,070	137,299	148,050	135,379

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGUs) when assessing for impairment, in accordance with the requirements of Financial Reporting Standard 102 and SORP 2018. During the year no triggers for impairment were identified.

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15. Tangible fixed assets - other

Group	Freehold buildings and land £'000	Sheltered scheme furniture, fixtures and fittings £'000	Computers and office equipment and furniture £'000	Plant, machinery and vehicles £'000	Total £'000
Cost					
At 1 April 2023	9,613	909	3,232	354	14,108
Additions	-	9	218	103	330
Disposals	-	(566)	(163)	-	(729)
At 31 March 2024	9,613	352	3,287	457	13,709
Depreciation and impairment					
At 1 April 2023	6,425	875	2,622	289	10,211
Charged in year	304	20	220	51	595
Depreciation on disposals	-	(557)	(162)	-	(719)
At 31 March 2024	6,729	338	2,680	340	10,087
Net book value					
At 31 March 2023	3,188	34	610	65	3,897
At 31 March 2024	2,884	14	607	117	3,662

Association	Freehold buildings and land £'000	Sheltered scheme furniture, fixtures and fittings £'000	Computers and office equipment and furniture £'000	Plant, machinery and vehicles £'000	Total £'000
Cost					
At 1 April 2023	5,027	3	3,023	203	8,256
Additions	-	-	218	58	276
Disposals	-	-	-	-	-
At 31 March 2024	5,027	3	3,241	261	8,532
Depreciation and impairment					
At 1 April 2023	2,765	3	2,415	173	5,356
Charged in year	215	-	220	20	455
Depreciation on disposals	-	-	-	-	-
At 31 March 2024	2,980	3	2,635	193	5,811
Net book value					
At 31 March 2023	2,262	-	608	30	2,900
At 31 March 2024	2,047	-	606	68	2,721

16. Investment in subsidiaries

At the year end the Association had three wholly owned subsidiaries, Choices Housing Association Limited, Old Park Services Limited and Strata Housing Services Limited. These financial statements consolidate the results of those entities. It holds one £1 ordinary share in each company which equates to a 100% holding. The principal activity of each entity is detailed on page 36. The Association has the right to appoint members to the boards of the subsidiaries and thereby exercises control over them. Old Park Services Limited and Strata Housing Services Limited are non-regulated companies. During the year the Wrekin Housing Group Limited invested £237,000 in Choices Housing Association by way of an intra group loan in the total sum of £1,600,000 at a zero rate of interest. The registered office is the same for all group companies.

		Group		**Association**
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Investment in group undertakings	-	-	237	-
			237	

Company	**%**	**Surplus/ (deficit) for the year**	**Reserves**
Choices Housing Association	100	(£1,934,000)	(£1,895,000)
Old Park Services Limited	100	£526,000	£666,000
Strata Housing Services Limited	100	£1,168,000	£805,000

17. Investment properties: non-social housing properties held for letting

Group and Association	**2024 £'000**	**2023 £'000**
At 1 April	19,813	19,609
Increase in value	288	204
At 31 March	20,101	19,813

Investment properties were valued at 31 March 2024 on an open market value basis. As they are market-rented properties, rather than social housing properties, which could be sold with vacant possession within a short time period, the market value is based upon an analysis of comparable transactions which have taken place in the area, and the valuer's background knowledge of the local market. The valuation is undertaken by external RICS advisers, Hammond Chartered Surveyors. The properties are leased to the Group's subsidiary company Old Park Services Limited.

18. Debtors: Amounts falling due after one year

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Amounts owed by group undertakings	-	-	1,438	-
			1,438	

A capital contribution has been recognised in respect of the new loan received by Choices Housing Association Limited from the parent entity. On 31 July 2023, the Association borrowed £1.6m from the parent entity which is repayable on 31 July 2027. The loan bears no interest but deemed finance costs of £75k are recognised for accounting purposes at a market-related interest rate. As such, the Association has treated this as a capital contribution by the parent entity and recognised £237k directly in equity.

19. Properties held for sale

	2024	**2023**
Group and Association	**£'000**	**£'000**
Completed shared ownership properties	347	395
Properties held for sale - asset renewal strategy	1,533	1,780
	1,880	2,175

20. Debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Rent and service charges receivable	1,476	1,475	1,245	1,052
Less: provision for bad and doubtful debts	(1,086)	(989)	(945)	(801)
	390	486	300	251
Prepayments and accrued income	2,193	2,342	2,180	2,199
Other debtors	1,242	959	990	679
Trade debtors	353	191	35	35
Other taxation and social security	102	26	-	9
Amounts owed by group undertakings	-	-	4,071	2,747
Less: provision for bad and doubtful debts owed by group undertakings	-	-	(2,583)	-
	4,280	4,004	4,993	5,920

There are no special payment terms, interest or security arrangements in place with regard to amounts owed by Group undertakings. However, the Association has provided in full for the outstanding debt owed by Choices Housing Association amounting to £2.583m. It is expected that this debt will be written off in 2024/25.

21. Cash and cash equivalents

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	9,715	10,615	1,839	4,296
Short-term bank deposits	15,702	20,550	15,202	20,050
Cash held as collateral*	1	1	1	1
	25,418	31,166	17,042	24,347

*Cash held in charged bank accounts as collateral against the bond. The Group provided this cash collateral to enable sales of its retained bond to be completed during the year ended 31 March 2022, in advance of property security being put in place, to ensure that the Group took advantage of propitious market conditions.

22. Creditors: Amounts falling due within one year

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	11,476	12,854	3,504	3,625
Rent and service charges received in advance	3,880	3,848	3,880	3,848
Other taxation and social security	1,280	951	696	544
Pension contributions due	335	269	309	269
Social housing grant received in advance	2,547	2,250	2,547	2,250
Accruals	3,806	3,812	3,590	3,352
Interest payments due	4,183	4,098	4,183	4,098
Deferred income	55	86	45	76
Holiday pay accrual	230	230	230	230
Deferred grant income (note 23)	1,326	1,224	1,312	1,210
Other creditors	300	234	299	226
Amounts owed to Group undertakings	-	-	3,747	5,324
	29,418	29,856	24,342	25,052

There are no special payment terms, interest or security arrangements in place with regard to amounts owed to Group undertakings.

23. Creditors: Amounts falling due after more than one year

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 25)	569,029	540,415	569,029	540,415
Recycled capital grant fund (note 24)	322	701	322	701
Deferred grant income (note 23)	148,816	137,147	147,676	135,993
	718,167	678,263	717,027	677,109

24. Deferred grant income

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	138,371	124,728	137,203	123,547
Grant received in the year	13,171	14,987	13,171	14,986
Transfer to recycled capital grant fund	(74)	(120)	(74)	(120)
Released to income in the year	(1,326)	(1,224)	(1,312)	(1,210)
At 31 March	150,142	138,371	148,988	137,203
Amounts to be released within one year	1,326	1,224	1,312	1,210
Amounts to be released in more than one year	148,816	137,147	147,676	135,993
	150,142	138,371	148,988	137,203
Social Housing Grant	139,593	128,186	138,439	127,018
Other grant	10,549	10,185	10,549	10,185
	150,142	138,371	148,988	137,203

25. Recycled capital grant fund

Group and Association	**2024** **£'000**	**2023** **£'000**
At 1 April	701	1,553
Grants recycled	74	120
Interest accrued	-	1
Acquisition of dwellings for letting	(453)	(973)
Balance at 31 March	322	701

Withdrawals from the recycled capital grant fund have been used for the purchase and development of new housing schemes for letting.

26. Debt analysis

Group and Association	2024 £'000	2023 £'000
Due after more than one year		
Bond financing	250,000	250,000
Discount and premium	1,451	1,522
Amortised cost of issue	(1,224)	(1,273)
Carrying value of bond	250,227	250,249
Bank loans amortised cost	318,802	290,166
	569,029	540,415
Repayable in		
One year or more but less than five years	187,306	139,600
After five years	381,723	400,815
	569,029	540,415

The bank loans are secured by fixed charges on individual properties and by a floating charge over the assets of the Association. At 31 March 2023 the Association had total loan facilities available of £356m (2023: £356m) of which £52m (2023: £83m) was undrawn. £141m of this facility is fixed for periods of between 2 and 16 years at fixed rates of interest ranging from 4.126% to 7.25%. The instalments fall to be repaid in the period 2026 to 2040. £215m of this facility is variable at a rate of SONIA plus credit adjustment spread (CAS) plus margin and is repayable between four and seven years. During 2023/24 the Group repaid £33m variable rate debt to the NatWest revolving facility, which matures in October 2029. This was funded by a drawdown from the First Abu Dhabi revolving facility due to mature in October 2025. Due to lower margins there was a small saving in interest costs.

The bond is a £250m, long-dated instrument issued via the debt capital markets, maturing in 2048 and with a coupon rate of 2.5%. The bond is listed on the London Stock Exchange. £200m was issued on day one, with £50m initially retained for future issue. The bond was issued at 148bps over Gilt, giving an all-in cost of funds of 2.607%. In August 2020, the Association issued a further £25m of its retained bond. It was issued at 108bps over Gilt, giving an all-in cost of funds of 1.92%. In November 2021, the final £25m was issued at 95 bps over Gilt, giving an all-in cost of funds of 1.962%. At 31 March 2024, the £250m 2019 bond was priced at 61.873p and therefore valued at £155m.

27. Reserves

Revenue reserves include all retained surpluses and deficits in relation to current and prior periods, and any fair value movement on the valuation of investment properties.

At 31 March 2024, the revenue reserve included £nil in respect of the defined benefit pension liability (2023: £10,045,000). The accounting valuation of the defined benefit obligation as at 31 March 2024 resulted in a small surplus of £82,000. In accordance with FRS102 management consider this to be non-recoverable and therefore have effected an asset ceiling of £82,000 to reduce the net asset to £nil in respect of the defined benefit pension scheme.

Restricted reserves relate to the agreement with the former English Partnerships that The Wrekin Housing Group Limited retains all receipts from the sale of housing assets on the Woodside estate for reinvestment in the regeneration of the estate.

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28. Financial commitments

Group and Association	2024	2023
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	76,112	88,066
Expenditure authorised by the board but not contracted for	23,139	64,262
	99,251	152,328

The above commitments reflect the continuation of the Group's Asset Renewal and Development Programme. The commitments will be financed through a combination of borrowings, which are available for draw-down under existing loan arrangements, social housing grant, expected shared ownership sales proceeds, property sales under the Group's Asset Renewal Strategy and cash generated from operating activities.

Operating leases

The future minimum lease payments of leases are as set out below. Leases relate to office accommodation and vehicles. The future minimum operating lease payments are as follows:

		Group		Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	931	1,181	931	1,136
Two to five years	1,706	1,779	1,706	1,779
	2,637	2,960	2,637	2,915

The Association had lease receivables under non-cancellable operating leases as follows:

	2024	2023
Association	£'000	£'000
Within one year	-	490
Two to five years	-	1,960
Later than five years	-	8,330
	-	10,780

The lease receivable relates to the lease of the Limewood Dementia Unit from the Association to Choices Housing Association Limited. The lease had 21 years to run (2023: 22 years). The lease cost per annum was £490k.

In November 2023 Choices disposed of the Limewood Dementia Care Unit and the lease was terminated on disposal. A pro rata payment of £286k was charged on disposal to reflect the period 1 April 2023 to 3 November 2023.

29. Cash flow from operating activities

	2024 £'000	2023 £'000
Surplus for the year	9,757	3,230
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	15,464	14,784
Amortisation of intangible fixed assets	13	85
Impairment of housing properties		-
Write-off of components following demolition of properties	-	(8)
(Increase)/decrease in stock	113	(264)
Increase in properties held for sale	2,808	3,278
Decrease in debtors	(222)	226
Increase in creditors	(384)	1,698
Government grants utilised in the year	(1,326)	(1,224)
Pension costs less contributions payable	(353)	2,271
Adjustments for investing and financing activities:		
Net gain on the sale of tangible fixed assets	(1,451)	(1,958)
Movement in fair value of investment properties	(288)	(204)
Interest payable	22,814	18,667
Interest receivable	(919)	(432)
Net cash generated from operating activities	46,026	40,149

30. Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flows £'000	Other non-cash movements £'000	At 31 March 2024 £'000
Cash at bank and in hand	10,615	(900)	-	9,715
Cash held as collateral	1	-	-	1
Money market deposits at call, seven day or monthly floating rates	20,550	(4,848)	-	15,702
	31,166	(5,748)	-	25,418
Bank loans due greater than one year	(290,166)	(31,000)	2,364	(318,802)
Bond finance due greater than one year	(250,249)	-	23	(250,227)
Total	(509,249)	(36,748)	2,386	(543,611)

31. Financial assets and liabilities

Categories of financial assets and liabilities

Group	2024 £'000	2023 £'000
Financial assets that are debt instruments measured at amortised cost	27,505	32,802
Financial liabilities measured at amortised cost	(588,794)	(561,413)
	(561,289)	(528,611)

Financial assets that are debt instruments measured at amortised cost comprise short term debtors, cash deposits on money markets at call and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, interest payments due, other creditors and debt.

Interest rate risk profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

Group	2024 £'000	2023 £'000
Fixed rate	381,724	408,964
Floating rate	187,305	131,451
Total borrowings	569,029	540,415

The floating rate financial liabilities comprise bank loans that bear interest rates based on SONIA plus a credit adjustment spread and contracted margins.

The fixed rate financial liabilities have a weighted average interest rate of 3.70% (2023: 3.70%) and the weighted average period for which it is fixed is 18 years (2023: 19 years).

The debt maturity profile together with applicable interest rates is disclosed in note 25.

Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

Group	2024 £'000	2023 £'000
Expiring in more than two years	52,000	83,000

32. Contingent liabilities

The Group and Association had no contingent liabilities to disclose at 31 March 2024 (2023: £nil).

33. Related parties

During the year, the Association recharged amounts to its wholly owned subsidiaries. Choices Housing Association Limited is registered with the Social Housing Regulator. Old Park Services Limited and Strata Housing Services Limited are both unregistered entities. The amounts were as follows:

Entity	Cost	2024 £'000	2023 £'000
Old Park Services Limited	Recharge of staff and operating costs (Reviive and void contract service)	502	719
Old Park Services Limited	Recharge of staff and operating costs (third party repairs services)	2,136	1,811
Strata Housing Services Limited	Recharge of staff costs (development services)	880	857
Choices Housing Association Limited	Recharge of staff and operating costs	1,415	1,531

All costs are recharged on an actual cost basis.

During the year the following services were supplied by the parent to the unregistered entities:

Entity	Service	2024 £'000	2023 £'000
Old Park Services Limited	Property leases	692	676

During the year the following services were supplied by the subsidiary entities to the parent:

Entity	Service	2024 £'000	2023 £'000
Old Park Services Limited	Provision of energy supplies	77	71
Strata Housing Services Limited	Provision of development services	48,223	49,287
Choices Housing Association Limited	Provision of care services	2,532	2,177

Note 33 continues overleaf

There are no other related party transactions to disclose that have not been disclosed elsewhere in these financial statements. Please see note 10 for details of executive and board remuneration.

As at the 31st March the amounts owed to the Association by subsidiary entities was as follows:

Old Park Services Limited	£1,117,325	(2023: £1,082,401)
Strata Housing Services Limited	£321,003	(2023: £239,628)
Choices Housing Association Limited	£4,070,357	(2023: £1,424,873)

The total owed by Choices Housing Association includes the loan advance made by the parent company on 31 July 2023. The loan is in the sum of £1.6m at a zero rate of interest and is subject to a bullet repayment on 31 March 2027.

As at the 31st March the amounts owed by the Association to subsidiary entities was as follows:

Old Park Services Limited	£132,136	(2023: £114,601)
Strata Housing Services Limited	£3,612,354	(2023: £5,209,530)
Choices Housing Association Limited	£2,685	(2023: £nil)

34. Gift aid

Association	**2024 £'000**	**2023 £'000**
Gift aid received from Old Park Services Limited	286	631
Gift aid received from Strata Housing Services Limited	1,227	1,145
	1,513	1,776

35. Non-equity share capital

When the Association registered as a Co-operative and Community Benefit Society its rules were drafted such that there is a single class of shareholder. Each share has the nominal value of £1 and carries no right to any interest, dividend or bonus. The independent shareholders are the board members. There are 10 shares in issue. (2023: 10)