Annual Report and Financial Statements

For the year ended 31 March 2024

Warrington
Housing Association

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GROUP INFORMATION AT 31 MARCH 2024

Board Members

Judith Winterbourne	Chair – Retired 20/09/23
Michele Scattergood	Chair – Appointed 20/09/23
Steven License	Deputy Chair
Martin Newsholme	Chair of Audit & Risk
Tracey Mainwaring	
Anthony Rimmer	Retired 20/09/23
Alison Dean	
Janet Richmond	Chair of Remuneration
David Simons	
Carl Talbot-Davies	
Jimmy Overill	
Louise Murphy	Appointed 20/09/23

Executive Directors

David Cummins BA(Hons), MSc Dip Ms
Chief Executive Officer

Kirsty Capper FCMA, CGMA
Executive Director of Resources

Fiona Graham BA(Hons)
Executive Director of Operations

Company Secretary

Kirsty Capper FCMA, CGMA

Registered Office

the Gateway, 89 Sankey Street, Warrington, Cheshire, WA1 1SR

External Auditors

RSM UK Audit LLP, Ninth Floor, Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB

Internal Auditors

Beever & Struthers, 1 George Leigh Street, Manchester, M4 5DL

Solicitors

Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Principal Bankers

Barclays Bank plc, Warrington Branch, 23-25 Golden Square, Warrington, WA1 1TW

STRATEGIC REPORT

The Board present their Strategic Report on the affairs of the Group, together with the Board Report, financial statements and auditor's report for the year ended 31 March 2024.

The Group consists of Warrington Housing Association Limited and its wholly owned subsidiary, Lifetime Homes (Warrington) Limited.

Warrington Housing Association (WHA) is a not for profit organization, a registered society under the Co-operative and Community Benefit Societies Act 2014 with tax-exempt charitable status and as such has charitable objectives.

Lifetime Homes (Warrington) Limited is a general commercial company, a company limited by shares under the Companies Act 2006 but with the requirement to covenant any profits to WHA as the parent company.

Business Model

WHA has been in operation for nearly 50 years and during that time has grown, developed and changed to meet the needs and expectations of our customers and the communities in which we work. We currently own and manage 1,508 homes for families, older people and people with additional support needs, including leasehold and shared ownership properties across the Borough of Warrington. We are locally based at the Gateway community resource centre in the town, a community asset which is owned by WHA.

Since 2007 we have been the managing agent of the Warrington Home Improvement Agency (WHiA), a not-for-profit service for older, disabled and vulnerable residents in the town who wish to repair, improve and adapt their homes.

LifeTime joined WHA in 2013 as an exciting network providing opportunities for older people in Warrington to connect, be active, healthy and to keep learning in a fun and fulfilling environment. LifeTime is part of our wider commitment to reducing social isolation and the promotion of ageing well in Warrington.

Lifetime Homes primary purpose as a commercial trading subsidiary of WHA is to further the aims and objectives of WHA in the most effective way.

Objectives and Strategy

Our vision is to work with our customers to help make Warrington a great place to live, in which the potential of individuals and communities can be realized. We achieve this aim by focusing on five themes around which our business will prosper. These themes are outlined in our Business Plan and used throughout the organization to help us to articulate who we are and what we want to achieve. The Business Plan is reviewed annually and approved by the Board:

HOMES

Through managed growth and effective reinvestment, we will provide homes that are safe, secure, energy efficient and affordable.

- We will aim to ensure that WHA offers homes which people are proud to live in, exceeding their expectations now and in the future.
- We will proactively manage our assets, to meet customer, regulatory and legal requirements.
- Through our work, we will have a positive impact on climate change and sustainability.
- We will continue to grow by doing more of what we already do well.
- We will identify a range of new opportunities for growth and added value through our understanding of relevant regeneration, planning and transport policies.

CUSTOMERS

To focus on delivering exceptional core services, prioritizing the needs of our customers and the communities in which we work.

- We will provide accessible and tailored services aiming to meet or exceed the expectations of our customers.
- We will ensure our customers have a voice and are integral to shaping the services we deliver.
-
- We will further cement our position as a community anchor organization.

SOCIAL VALUE

To ensure that social value is an integral part of the way we think and the way we deliver.

- We will invest in the communities we serve to improve resilience, cohesion and health & wellbeing.
- We will target our resources where they have the greatest impact.
- We will support individuals through challenges posed by the cost-of-living crisis.
- We will actively manage our social value work alongside our commercial thinking, maximizing income opportunities from external sources where possible.

COLLEAGUES

To be an exceptional place to work that attracts, develops and nurtures our people.

- We will empower our colleagues through effective management support, delegation and motivation.
- We will recognize and reward high performance in order to reinforce the most important outcomes for our business.
- We will have a systematic approach to organizational development focusing on performance and engagement.

- We will continue to be committed to supporting and valuing our colleagues, building a positive workplace culture and ensuring a healthy, safe and inclusive working environment

VIABILITY

To deliver a financially strong and well-managed business, fit for today and prepared for tomorrow.

- We will continually review our Board and governance arrangements to ensure that WHA operates to the highest standard.
- We will continue to embed a culture of viability and value for money in everything we do.
- We will continue to manage our resources effectively, maximizing the return on our assets to ensure we have the financial capacity to deliver our priorities.

The way we work is guided by our core values:

Leadership **Progress**

Integrity **Customer Focus**

Teamwork **Respect**

Development and Performance

2023-24 represents the first year of our new 3-year Business Plan 'Moving Forward Together', an ambitious journey in the context of a challenging external environment and at a time when the reputation of our sector and the scrutiny which we are under has never been more pronounced. We have updated our vision and corporate objectives to reflect our focus on customers, core purpose and on the creation of safe, secure, energy efficient and affordable homes.

We are proud to be a local, community-based anchor organization with strong and lasting connections to the communities we serve. Our ambition to build will continue and we have the financial strength to do this. Delivering the right type of homes is critical if the areas in which we work are going to thrive and those in housing need are going to be supported.

Homes

At the end of the previous year we had two developments on site to deliver a total of 16 new affordable homes. Our White Street development completed in October 2023 delivering 4 of those new homes and our Bramhall Street site, slightly delayed, will deliver the remaining 12 during the summer of 2024.

We continue to deliver housing management services to Warrington Borough Council's private housing company, Incrementum, 161 homes for market and sub-market rent. Management services are delivered by our subsidiary, Lifetime Homes.

We have continued to invest in our homes to ensure they remain compliant, meet the Decent Homes Standard, life cycle replacements and deliver improved energy efficiency. WHA has benefited from government funding via the ECO4 and GBIS schemes to improve the performance of c140 of our properties as well as increasing affordable warmth for these customers.

Following the increased focus on damp, mould and condensation (DMC) within the sector, we have reviewed our internal process and implemented new procedures and guidance around how we manage DMC. This sees a greater focus on following up after works to provide assurance our remedial actions have resolved the issues for customers.

With a specific Business Plan objective around the decarbonisation agenda, this year we have engaged with several specialists to assist us with our first wave of decarbonisation works. We have identified properties that could qualify for fully funded energy efficient works and work was underway in 90+ properties at the end of the year, moving them from sub-EPC C to EPC C as a minimum. Data from our present EPC programme and stock condition surveys coupled with insights from the specialists will inform future years investment programmes to deliver improved SAP scores and the decarbonisation of our stock.

Customers

Customers and their voice remain at the heart of what we do. We have continued to work closely with our Scrutiny Panel and during the year they completed reviews of Allocations and Repairs, recommending improvements to our service that were implemented. Our Customer Voice Officer has held customer drop-in sessions, regular resident meetings and a new initiative 'Love Where You Live'. This is intended to make customers more aware of the area they live in and take pride in the upkeep of it. We continue with our programme to capture data about our customers, using it to develop our neighbourhood plans and respond to the socio-economic and diversity challenges of our customer base.

The economic environment continues to challenge, with many of our tenants yet to see their income increase relative to the rising cost of living. With many families having to decide between 'heat and eat' the pressure on rent collection and arrears has continued. We are embedding a 'rent first' culture which we will anticipate will see a decrease in arrears as we move forward.

Unfortunately, WHA received 2 maladministration judgements from the Housing Ombudsman during 2023-24. During the year we have fully reviewed our policy and processes resulting in a significant improvement in the recording and handling of complaints. In line with the new Complaint Handling Code, we have appointed senior members of our Board and Executive to champion a positive complaints handling culture.

Social Value

In our Lifetime service this year there has been focus on volunteering, working with WHA tenants and collaborating with other agencies. There were 24,000 attendances with 25% of attendees being WHA tenants. There have been 2,835 activities provided across a range of areas aimed at keeping people connected, active and keeping learning. LifeTime depends on around 40 committed and regular volunteers to support the day to day running of the service. This is key to strengthening our communities, making a difference to lives and serving as advocates for WHA in the community.

WHiA is focussed on the health and wellbeing of older owner occupiers and people in private rented sector through practical improvements to the home environment. The service managed £1.5m worth of work this year, visited 2,000 homes and completed a wide range of grant funded and charitable cases. WHiA works in partnership with Warrington Borough Council to deliver Disabled Facilities Grants (DFGs) with the majority being bathroom adaptations. There were a record 284 projects completed this year due to changes in eligibility and improved funding.

Colleagues

We were delighted to be awarded the Investors in People Gold Award following a full reassessment in 2023-24.

Following the relaunch of our training and development offer the focus has been on training relevant to our current operating environment including DMC, building safety, ASB and tenancy management to name a few. In line with the requirements of the Social Housing Regulation Act 2024, we have secured several CIH diplomas for colleagues to contribute to protecting residents and to raising standards in the sector.

We completed a full review of terms & conditions of employment with the commitment to pay colleagues at least ‘market salary’ for their role (in line with relevant sector benchmarking). This was in direct response to our drive to improve colleague recruitment and retention.

This year has seen a new objective in relation to knowledge and information management, developing a programme of data and process reviews, ensuring ongoing data integrity, consistent use of systems and ensuring that we capture corporate knowledge and remove single points of failure.

Viability / Financial Performance

Turnover for the Group for the year is £8,566k (2023: £7,926k) and a surplus for the year, after taxation of £1,526k (2023: £1,958k). Financial performance remains strong, assisted by higher than budgeted performance of two of our social value projects, WHiA and the Gateway. Employee costs were lower than anticipated due to carrying of vacancies pending successful recruitment.

A summary of financial performance over the past 5 years is shown below:

Group Statement of Comprehensive Income for year ended 31st March	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Turnover	8,566	7,926	7,540	7,572	6,902
Operating surplus	1,972	2,322	1,178	1,725	1,725
Surplus after taxation	1,526	1,958	771	1,322	1,280

Key Performance Indicators

Please see Value for Money section on page 17 onwards outlining our performance for 2023-24.

Future Prospects

2024-25 will see WHA in the second year of our three-year Business Plan. Our focus is on how we will continue to manage the challenges ahead and how we will work with our customers, partners and colleagues, to continue to deliver on our vision to help make Warrington a great place to live.

A key challenge for 2024 is to continue to thrive through partnerships and collaboration, particularly through working with other local community-based housing associations.

Homes

Due to the challenging operating environment and choices we need to make, our growth ambition has been reduced. We still believe that delivering the right type of homes is critical if the areas in which we work are going to thrive and those in housing need are going to be supported.

We are pleased to support the delivery of affordable housing targets in the borough. Our existing on-site scheme will deliver 12 homes in the summer of 2024, and we have a number of pipeline schemes under consideration. Our proactive approach to active asset management may also offer development opportunities.

We are continuing our sustainability journey and continue to work towards having 100% in date EPC data (77% at 31st March 2024). We have a rolling programme to complete EPCs when due to ensure our data remains timely.

We recognize that we will require additional net funding to de-carbonize our existing homes. Investment plans will require a carbon reduction approach to future expenditure on assets as will our broader activities as a landlord, employer, business, and community organisation. We continue to take a fabric first approach to our planned and cyclical programme and have provision for ongoing upgrades to windows/doors, roofing/ loft insulation, external wall insulation, maintenance of existing PV and approx. £250k p.a. for energy efficiency works over the next 6 years.

Customers

Next year we will launch an updated strategy for customer engagement, setting out how we meet the new Consumer Standards. This will include a review of our customer participation structures which will enable our customers to have influence over the services they receive and to monitor how well we are performing.

There will be a focus on improving our tenant data next year, continuing our Neighbourhood Action Plan visits, getting behind the door and really knowing our customers. This will enable us to develop strategies, policies and adapt our services that meet customer needs.

Social Value

Our contractual relationship with the Borough Council to provide Home Improvement Agency services will be reaching the end of the current iteration during 2024 and will need to be renegotiated. As part of this process, it is our intention to create a new 3-year Business Plan for WHiA.

LifeTime will be moving to its new home in the Gateway, continuing to offer a wide range of activities. The opportunity to bring visitors into the main Gateway and be more connected with other partners is an exciting evolution of the LifeTime model.

Colleagues

Next year will see a full review of our three-year training plan to respond to the new regulatory requirements on the professionalization of the sector. We will continue with our leadership development programme, with a new 'emerging leaders' programme to inform succession planning and skills mapping for senior management.

Viability

As a sector, we now face more regulatory scrutiny than ever with increasing costs and increasing demands on what we are expected to do. We are often reminded by our Regulator that we need to make difficult choices. However, we have the financial strength to continue to deliver on our ambitions, demonstrated by the following:

- Sound financial planning framework which demonstrates viability into the long term.
- A clear strategy for controlled growth that is sustainable and doesn't compromise financial viability.
- A good understanding of our assets and a robust asset management strategy.
- A positive reputation with customers and partners as a trusted landlord.
- Strong and effective governance arrangements.
- A culture which empowers our people to realize their potential and deliver outcomes for our business.

WHA produces thirty-year financial projections, with more detailed figures for the first five years. The budget is prepared using a zero-based approach but takes into account our experience of financial activity in previous years, proposed levels of core activity, new and evolving activities & projects and knowledge of any external factors. The Group believes that the assumptions used are prudent and will maintain the financial viability of the organization, allowing a continued investment in existing homes and social value activities whilst delivering much needed new homes:

Summary Statement of Comprehensive Income	24-25 £'000	25-26 £'000	26-27 £'000	27-28 £'000	28-29 £'000
Turnover	9,099	9,777	9,653	9,987	10,240
Operating costs	(7,629)	(8,050)	(7,987)	(8,206)	(8,411)
Operating surplus	1,470	1,727	1,666	1,781	1,829
Interest receivable	10	10	10	10	10
Interest & financial costs	(501)	(561)	(648)	(708)	(754)
Surplus before tax	979	1,176	1,028	1,083	1,085
Taxation	-	-	-	-	-
Surplus for the year	979	1,176	1,028	1,083	1,085

Principal Risks and Uncertainties

Risk management is fundamental to the success of any organization and is an essential part of good governance. Our risk management process ensures that risks are identified, documented, prioritized, and mitigated wherever possible. Our aim is to identify, manage and minimize, rather than eliminate risks which may prevent the organization from achieving its objectives. The identification and management of risk is ongoing and takes place as changes occur within the organization and in the external environment in which we operate.

To facilitate a structured approach to overall risk management, we have chosen to categorize our risks in accordance with our thematic pillars. All risks are assessed in terms of their impact and probability of occurring using a numeric scale. Each risk is assessed three times:

- Firstly, the INHERENT risk, which is the exposure arising from a specific risk where no controls are in place or mitigating actions have been taken.
- Secondly, the MITIGATED risk, which is the exposure arising from a specific risk where controls are implemented and effective action has been taken to manage risk.
- Thirdly, the TARGET risk, for those risks where the current mitigated level is deemed to be too high. It's the risk level that should remain once further actions have been completed.

The appropriate response to each risk will depend on its nature and the outcome of the risk assessment, but each response is documented in respect of first, second and third lines of defence, further actions, responsibilities, and timescales for implementation.

Ultimate accountability for the control and management of risk rests with the Board. The Board determines WHA's appetite for risk in conjunction with the Executive and Senior Management Team(s) (EMT/SMT). The Board receives regular updates in respect of risk management as a minimum:

- Full annual review of both strategic and operational risk registers alongside approval of the Business Plan and Budget.
- Quarterly review of the strategic risk register, any new risks and operational risks with an assessed score of 16 and above.

The Board delegates responsibility to the Audit & Risk Committee (ARC) in line with its terms of reference which outline their specific responsibilities in respect of risk management:

- To establish policies, strategies and procedures for the identification and management of risk so as to minimize and take appropriate action in respect of those risks.
- To oversee, approve and review the risk management framework and process, reporting to Board where appropriate and at least on an annual basis.
- To regularly monitor the Group's existing risk.
- To be involved in the identification and evaluation of new and emerging risks.

- To periodically review the adequacy of the Group's insurance cover.
- Ensure appropriate business continuity plans are in place.
- Quarterly review of both the strategic and operational risk registers with a focus on any changes in conditions and assessed level of risk.
- Periodic review of the policy for recommendation to Board.
- To receive the annual internal controls statement from the Internal Auditor.

The EMT/SMT has the specific responsibility for identifying, assessing, controlling and managing risk on a day-to-day basis:

- Responsible for ensuring that risks are appropriately recorded, management controls and sources of assurance are documented.
- Ensuring that appropriate actions and interventions to reduce and mitigate risk are designed, implemented, and subsequently monitored.
- Make recommendations to Board and ARC on any new risks to be assessed.
- Review both the strategic and operational risk registers in full on a quarterly basis.
- Maintain the organization's risk register, ensuring that any actions/mitigations and assessment of new and emerging risks are carried out in a timely manner.

All risks have been reviewed in relation to the Business Plan and the stated risk appetite and noted where risk scores would currently be considered 'out of appetite' due to the ongoing economic pressures. These risks are subject to further review / actions, with EMT/SMT continuing to monitor and manage the situation, updating the risk register and providing regular updates to Board and ARC. The risks presented represent the highest scoring in terms of mitigated risk from the strategic risk register:

Risk Description	Risk Appetite	Mitigated Risk Score	Lines of Defense		
			First	Second	Third
Failure to provide effective, customer focused services.	Flexible	Medium	• Internal management • TSM surveys • Regulatory self-assessments	• Scrutiny Panel engagement • Board assurance reporting • Complaints reporting	• Triennial independent customer survey • Internal audit program
Failure to manage impact of Government policy changes	Flexible	Med Hi	• Internal management • KPI/Assurance reporting • Regulatory self-assessments • Engagement in forums • Stress testing & mitigations	• Board assurance reporting	• Regulatory oversight
Failure to maintain core organizational capacity / service provision	Flexible	Med Hi	• Internal management • KPI/Assurance reporting • Training / development plans • Policy/procedure framework	• Board assurance reporting	• Internal audit programme
Failure to comply with legislation	Minimalist	Med Hi	• Internal management • KPI/Assurance reporting	• Board assurance reporting	• Internal audit programme

			• Regulatory self-assessments • Policy/procedure framework • Training / development plans		• External consultancy / review
Failure to manage finances and demonstrate value for money	Minimalist	Med Hi	• Internal management • KPI/Assurance reporting • Budgeting / forecasting process • Policy / procedure framework	• Board assurance reporting	• Internal audit programme • External audit oversight
Failure to manage the risk of unprecedented cost inflation and other economic factors on Business Plan viability	Minimalist	Med Hi	• Internal management • Budget / forecasting process • Stress testing & mitigations	• Board assurance reporting	• External audit oversight • Regulatory oversight

Financial Risk Management Objectives and Policies

The Group's activities expose it to a number of financial risks including credit risk, interest rate risk, cash flow risk and liquidity risk.

The Group borrows only in sterling and so is not exposed to currency risk.

Credit Risk

The Group's principal financial assets are bank balances and cash, rent arrears and other receivables.

The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and tenants.

Cash Flow Risk

Cash flows for the period under review are set out in the Statement of Cash Flows (page 52).

The Group experienced a net decrease in cash and bank balances during the year of £450k, reflecting payments for the ongoing development programme.

The Group's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Board's forecast of the cash flow position over the next five years is shown in the table opposite.

The majority of interest-bearing liabilities are held at fixed rate to ensure the certainty of cash flows. Surpluses are deposited in approved UK institutions and the Audit & Risk Committee monitors deposit returns.

Summary Statement of Cash Flows	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Operating activities	2,352	3,037	2,849	3,034	3,133
Investing activities	(1,768)	(4,174)	(3,703)	(3,586)	(3,635)
Financing activities	(626)	762	621	553	501
Cash & cash equivalents brought forward	1,649	1,607	1,232	1,000	1,000
Net change in cash & cash equivalents	(42)	(375)	(233)	-	-
Cash & cash equivalents carried forward	1,607	1,232	1,000	1,000	1,000

Liquidity Risk

The Group ensures that its liabilities will always be met when due and ensures adequate liability is available to meet unexpected expenditure requirements that may arise from time to time. Adequate, though not excessive, cash resources, borrowing arrangements, overdraft or standby facilities are available to ensure the level of funds which are necessary for the achievement of business plan objectives.

Borrowings at the end of the year were £8,149k. The debt is borrowed from banks and building societies in the UK and from Warrington Borough Council (WBC). The Group has renegotiated an extension to its agreement with WBC and there is an unused facility of £6m available until January 2026.

As at 31st March Maturity	2024 £000	2023 £000
Within one year	621	437
Between one and two years	647	462
Between two and five years	2,114	1,549
After five years	4,767	6,246
Total	8,149	8,694

As at 31st March Lender	2024 £000	2023 £000
Dexia	1.388	1,688
Orchardbrook (Capita)	449	457
Warrington Borough Council	2,458	2,612
Clydesdale Bank	3,233	3,500
Loans due within 1 year	621	437
Total	8,149	8,694

Governance

The Board members and Directors are set out on page 3. The Group is governed by a Board composed of between five and twelve non-executive members with the maximum number serving at any time as determined by the Board. Board members are non-executive and are directors for legal purposes. The Board is responsible for managing the affairs of the Group and meets formally at least six times a year for regular business. Members are drawn from a wide background bringing together professional, commercial, and local experience, and are remunerated for services performed for the Group. Insurance policies indemnify Board members and officers against liability when acting for the Group.

The Chief Executive and other Executive Directors act as executives within the authority delegated by the Board.

Statement of Regulatory Compliance

The Association assesses their compliance annually with:

- The economic standards as set by the Regulator of Social Housing (RSH).
- The consumer standards as set by the RSH.
- All relevant legislation.

The assessment was presented and considered in detail by the Audit & Risk Committee in June 2024 and subsequently reported to Board who have confirmed the Group's compliance.

The latest assessment by the RSH on 13th December 2023, following the Annual Stability Check, confirms the Regulatory Judgement as follows:

- G1 – Governance – the provider meets the requirements on governance as set out in the Governance and Financial Viability Standard.
- V1 – Viability – the provider meets the requirements on viability as set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

Code of Governance

The Board has adopted and complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 with the exception of the following area:

- The Board has carefully considered the introduction of the six-year maximum tenure for members to provide stability and continuity within the Board. A transition plan is in place which will ensure that no current member will serve beyond nine years. All members appointed from 2021 onwards will normally service a maximum tenure of six years with the Board reserving the right to add a further one year to tenure if a particular skill-set is required.

Value for Money

<u>Introduction</u>

WHA recognizes that the viability of an organization is measured by its long-term survival and its ability to sustain surpluses over a period of time. Fundamental to the achievement of viability is the consideration and demonstration of Value for Money (VFM) in all of our activities. WHA is committed to maximizing VFM whilst ensuring that the highest level of service is delivered to our customers.

Our Viability Strategy sets out our approach to viability in the context of VFM, our arrangements to ensure delivery and how we will continually assess the success of our initiatives. It is designed to help us to deliver a financially strong and well managed business, fit for today and prepared for tomorrow and is framed between the following inter-related objectives:

- We will continually review our Board and Governance arrangements to ensure that WHA operates to the highest standard.
- We will continue to embed a culture of viability and value for money in everything we do.
- We will continue to manage our resources effectively, maximizing the return on our assets to ensure we have the financial capacity to deliver our priorities.
- We will increase our focus on knowledge and information management (KIM), ensuring that we continue to make informed decisions about our work.
- In line with the objectives of our Communications Strategy, we will seek to communicate WHA's story to a diverse audience.

We see our approach to viability and VFM as a natural extension of the strategies, policies and processes that are already in place. We will achieve our strategy by:

- Articulating our strategic objectives through the annual business planning process.
- Presenting our 30-year financial forecasts to the Board annually, with more detail for the first 5 years.
- Providing regular updates on our business plan progress throughout the year.
- Providing regular financial and treasury updates to ARC & Board.
- Capturing and reporting progress against targets through our quarterly assurance reporting framework.
- Ensuring that viability and VFM remains an integral part of existing vehicles for tenants scrutiny and colleague champion groups.
- Benchmarking our costs and other targets / KPI's with appropriate peer groups to enable comparison and identification of areas for improvement.
- Demonstrating to stakeholders an understanding of the costs of delivering our services through the publishing of Regulatory Metrics and participation in other appropriate benchmarking vehicles.
- Assessing options for viability improvement through the delivery of our key strategies, including the consideration of alternative delivery approaches.
- Ensuring that all of our reports to Board & Committees consider viability and VFM implications.
- Promoting an enthusiasm for change and innovation.
- Understanding and managing risks to the Group's Business Plan that are relevant to this strategy.

Responsibility for viability and VFM lies with everybody and is not restricted to those with performance or financial responsibilities. However, as a key corporate priority, the strategy has been approved by the Board who are ultimately responsible for ensuring scrutiny, challenge, and delivery.

Investment Approach

Our Growth Strategy sets out our growth ambition in the context of our vision and the external operating environment. Our ambition to build, is in recognition that delivering the right type of homes, in the right areas is critical if the areas in which we work are going to thrive. We will ensure that we build the Right Homes in the Right Places in the Right Way. Our focus will not be on numbers alone, but will incorporate an increased attention to quality, sustainability, fit and impact.

WHA aims to deliver an average of 15 to 20 new affordable homes per annum through a range of initiatives including:

- Continuing to build our network and partnerships with Homes England, Local Authorities, developers and contractors.
- Utilising our existing vacant land / repurposing assets, land led and package deals.
- Section 106 affordable homes opportunities.
- Stock rationalization options with other Registered Providers.

Our Growth Strategy is intrinsically linked to our Asset Strategy, which is a statement of intent as to how WHA will manage and improve our existing homes to ensure they remain safe, secure, energy efficient and affordable and are homes which tenants are proud to live in , exceeding their expectations both now and in the future.

Our Sustainability Strategy, approved by the Board in 2022, further outlines our approach to de-carbonizing our existing homes which is the biggest challenge we face. We are developing our understanding of the challenges and options available, collaborating with, and learning from others. We are taking a fabric first approach, already improving the insulation of our homes through our planned programme and working with consultants and contractors to pilot new approaches to achieve EPC C by 2030. We recognize that we will require additional net funding to de-carbonize our existing homes and are working with various agencies and Registered Provider groups to develop our position to be ready for future funding rounds.

We remain on target to achieve the ambitions set out in our strategies. We will refresh our review of financial capacity again during 2024 which will confirm our future capacity for funding new homes. We continue to work with Homes England to secure grant for confirmed schemes. Our financial projections continue to include an additional £200k per annum ring-fenced for our sustainability journey.

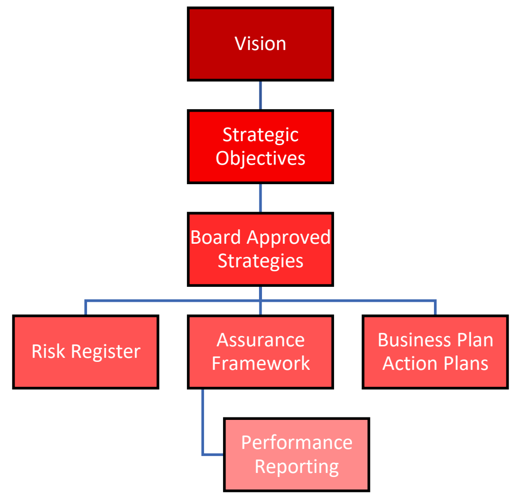
Measuring VFM

The Regulator's VFM Standard requires providers to have an approach, agreed by Board, for achieving value for money in meeting their strategic objectives and to demonstrate their delivery of value for money to stakeholders. Providers must take into account all areas of the organizational structure and different types of assets that are appropriate to their business.

At WHA we measure performance in a variety of ways and for a range of stakeholders:

- Our quarterly assurance report to Board reports on indicators crucial to the running of the business and cover each of our thematic areas.
- our Collabor8 indicators are used by colleagues on a monthly basis to understand and drive departmental performance.
- Our customers know exactly how we are performing through a series of customer-defined performance measures and a ranges of satisfaction indices, which we make available on our website and through other media. For 2023-24 this will include the new Tenant Satisfaction Measures (TSM'S).
- Through local peer group benchmarking, regional benchmarking and through national data available through the RSH. We also participate in specialized benchmarking (e.g. salaries, terms & conditions).
- Social value indicators and our Social Value Accounts which are produced every 2 years, which demonstrate qualitative and quantitative success.

Our strategic framework is linked to our five pillars as outlined on pages 5-6 of this report. For each of our pillars there is a corresponding Board approved strategy which links directly to our organizational risk profile, our assurance framework and other operational performance metrics. Our wider business objectives are monitored through a series of action plans - through these we are able to demonstrate how performance links directly through to organizational priorities and how this in turn aligns to Board strategy and assurance, maintaining the golden thread across our business.



2023-24 represents the first year of the new iteration of our three-year business plan. Each year we set targets, approved by the Board, based on a combination of previous performance, local knowledge, sector best practice and continuous improvement. Our results for the past three years, targets set for the coming year, 2024-25, and performance against our peer group is outlined in the following tables:

Homes – through managed growth and effective reinvestment, we will provide homes that are safe, secure, energy efficient and affordable.

Risk Appetite:
Our overall appetite for existing assets is MINIMALIST. We will accept risk only if essential and there is limited possibility / extent of failure. However, our appetite in respect of compliance is AVERSE, we will always select the lowest risk option.
Our appetite for growth is CAUTIOUS. We have a preference for safe delivery but may select alternative options if the risk is limited and heavily outweighed by the benefits.

Strategic Risks:
S.A1 Failure to deliver Development / Growth Strategy
S.A2 Failure to deliver effective asset management including sustainability

Homes	WHA Performance						Benchmarking	
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24	Trend (Year on Year Actual)	Target 2024-25	Peer Group Median	Compare
Board Assurance: Re-investment % This measure demonstrates WHA's investment in existing stock and in new supply relative to the value of total properties held.	4.60%	8.03%	4.03%	3.90%	↓	5.66%	2.94%	☺
Board Assurance: New supply delivered (social housing units) Demonstrates how WHA are helping to meet growth targets for new homes	0.84%	2.38%	0.30%	1.00%	↓	0.89%	0.00%	☺

supply relative to the size of our organization.								
Board Assurance: Responsive repairs to planned maintenance spend Effective planned maintenance should reduce spend on responsive repairs, generally a lower ratio is consider better and a more efficient use of resources	0.64	0.62	0.57	0.62	↑	0.62	0.57	☺
Board Assurance: Existing homes with an EPC rating of C or above Linked to our Sustainability Strategy and Govt targets to achieve by 2030.	n/a	68.46%	71.55%	73.00%	↑	75.00%	n/a	n/a
Collabor8: Gas servicing compliance Legal / regulatory requirement	100%	100%	100%	100%	→	100%	100%	☺
Customer Defined: Average number of days taken to complete repairs As above, demonstrates how efficiently we are maintaining our properties and our contractors.	6.03	8.47	5.95	21.00	↑	21 days	10.74	☺
Tenant Satisfaction Measures (TSM) *								
TSM (TP02): Satisfaction with repairs	90.00%	92.00%	90.50%	92.00%	↓	91%	78%	☺

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TSM (TP05): Satisfaction that home is safe	-	-	88.50%	-	-	90%	78%	☺
TSM (TP03): Satisfaction with time taken to complete most recent repair	-	-	86.60%	-	-	90%	74%	☺
TSM (TP04): Satisfaction that the home is well maintained	-	-	87.00%	-	-	90%	74%	☺
TSM (TP10): Satisfaction that the landlord keeps communal areas clean and well maintained	-	-	73.90%	-	-	80%	70%	☺

Our Homes objective is to remain a significant local provider of homes and housing solutions in Warrington and beyond. We have continued to invest in our existing homes alongside providing a number of new homes via our modest development programme and our reinvestment ratio reflects this. Our improving ratio of responsive v planned maintenance is the result of our strengthened approach to stock condition surveys and the implementation of the planned maintenance module in our software system in Q1 of 2024-25 will further improve the quality of information, planning and forecasting in this area.

The reduced new supply indicator is due to delays in the completion of a 12-unit scheme. This has now been brought into forecasts for the new financial year and is on course for completion in Q2 of 2024-25.

We have made progress in respect of our sustainability journey this year, with an increase in valid EPC data, therefore being able to understand what is required to bring properties up to EPC C. We have engaged with several specialists during the year, in particular the Warm Front Team who are assisting us with our first wave of decarbonization works – at least 90 properties have been moved from sub-EPC C to EPC C during the year.

Of the five TSM's related to Homes, WHA scores in the top quartile for four of them including overall satisfaction with repairs. In relation to satisfaction with communal areas, we scored above the median. We have used these benchmarks to set new targets for 2024-25 with a particular focus on incremental improvement.

**TSM Benchmarking is based on Acuity Briefing No. 8 – June 2024 (Q4 2023-24) and compares against the median scores reported.*

Customers – to focus on delivering exceptional core services, prioritizing the needs of our customers and the communities in which we work.								
Risk Appetite: Our overall risk appetite is FLEXIBLE. We expect some uncertainty and will take strongly justified risks but will manage the impact. Strategic Risks: S.N1 Failure to provide effective customer focussed services. S.N2 Failure to manage the impact of Government policy changes.								
Customers	WHA Performance						Benchmarking	
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24	Trend (Year on Year Actual)	Target 2024-25	Peer Group Median	Compare
Board Assurance: Tenants evicted due to rent. Sustainable communities	1	3	2	n/a	-	n/a	n/a	n/a
Board Assurance: Average re-let times (GN)	14.81 days	22.6 days	13.83 days	15 days	↑	15 days	28.79 days	☺

Demonstrates how efficiently WHA are turning around empty properties for new tenants, continuing to meet housing demand.								
Tenant Satisfaction Measures (TSM)*								
TSM (TP01): Overall satisfaction with landlord services	90.00%	90.70%	85.10%	90.70%	↓	86%	75%	☺
TSM (TP06): Tenant satisfaction that their landlord listens to their views and acts upon them.	85.00%	72.20%	72.20%	72.0%	↑	73%	63%	☺
TSM (TP08): Agreement that landlord treats tenants fairly and with respect	-	-	85.90%	-	-	86%	77%	☺
TSM (TP07): Satisfaction that the landlord keeps tenants informed about things that matter to them	-	-	76.90%	-	-	80%	74%	☺
TSM (TP11): Satisfaction that the landlord makes a positive contribution to neighbourhoods	-	-	64.50%	-	-	65%	68%	☹
TSM (TP12): Satisfaction with the landlord's approach to handling anti-social behaviour	-	-	56.00%	-	-	60%	61%	☹

TSM (TP09): Satisfaction with the landlord's approach to handling complaints	-	-	44.40%	-	-	50%	36%	☺

The impact of the wider economic situation has continued to bite during 2023. Whilst it appears to have passed its peak, it has placed considerable strain on the sector and our customers, as we know that low-income households are most affected. We continue to work closely with the local authority, voluntary/3rd sector, our Scrutiny Panel, local communities and residents to deliver and improve services.

As reported last year, following a previous internal audit, we have improved our empty homes process, tracking homes on a weekly basis and can see the positive impact this has had on re-let times in 2023-24, being back within target at 13.83 days.

We have evicted two tenants during the year for non-payment of rent. We do not set particular targets in this area but consider this to be positive action.

Although overall customer satisfaction of 85.1% was below our own internal target of 90.7%, we are pleased that we still score in the top quartile against our peers for this TSM measure. Alongside this we rank above the median in a further four measures related to Customers. There are two areas of concern, both of which scored below the median, related to our positive contribution to neighbourhoods and customer's perception of how we handle ASB. We will use the new benchmarks to set revised targets for 2024-25 with a focus on these areas for improvement.

TSM Benchmarking is based on Acuity Briefing No. 8 – June 2024 (Q4 2023/24) and compares against the median scores reported.

Social Value – to ensure that social value is an integral part of the way we think, and the way we deliver

Risk Appetite:

Our risk appetite is **FLEXIBLE**. We expect some uncertainty and may be willing under the right conditions to trade-off against the achievement of other objectives.

Strategic Risks:

S.S1 Risk of failing to make a difference / impact

Social Value	WHA Performance						Benchmarking	
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24	Trend (Year on Year Actual)	Target 2024-25	Peer Group Median	Compare
Board Assurance: Social value investment – relative to total operating surplus Having a target for our investment in social value activities allows for continual monitoring and consideration of alternatives.	27.37%	8.47%	7.10%	15.76%	↑	31.97%	n/a	n/a
Board Assurance: Skills & volunteering hours Demonstrates our commitment to apprenticeships and volunteers, creating opportunities for people to contribute to the local community and for personal progression.	4,314	6,086	5,775	n/a	↓	n/a	n/a	n/a
Board Assurance/Collabor8: Financial inclusion – money generated for customers	£354,874	£400,168	£127,119	£140,000	↓	£100,000	n/a	n/a

Our role in ensuring that customers are accessing available benefits, resulting in tenancy sustainability and reduced arrears.								
Collabor8: Cash value of work conducted by volunteers Putting a monetary value to our qualitative, social value work helps us to demonstrate the impact on our customers and the wider community.	£59,613	£84,109	£79,810	£68,000	↓	£80,000	n/a	n/a
Board Assurance: Eligible WHA tenants benefitting from social value services % A new indicator, requested by Board to encourage tenant participation.	-	-	26%	18%	-	30%	n/a	n/a

Unlike the other areas of the business, there are no direct external benchmarks to enable us to measure and compare our performance to peers. The indicators in the table have been consistent over the past 5 years, are approved by Board and are both quantitative and qualitative.

Our financial measure of performance for our social value investment, by calculating the surplus/deficit of each social value activity, relative to our total operating surplus, has improved significantly this year. This reflects improved financial performance against budget within WHA as a whole but also reflects an increase in income in our WHiA service.

WHA is committed to supporting our customers to maximize their income through accessing additional benefits or funding for energy / food bills. Due to the internal promotion of our Money Advice Officer at the start of 2023-24 and a change to responsibilities within the team, a reduced target was set for the year. Our aim was to upskill a Housing Officer to lead on financial inclusion whilst enabling all officers to give support where needed. This, aligned to the Better Social Housing review, allows our officers to have smaller patch sizes and therefore be more focused on customer needs. Building a caseload and upskilling colleagues has been slow to start and in the short-term we have outsourced cases to the Citizen's Advice Bureau to help us to deliver our target. It is anticipated that we may not see the benefits of this work until 2024-25.

As WHA makes a significant investment in social value services, it is important that wherever possible, our eligible tenants are benefitting from this work, hence the Board requested a new indicator be introduced to capture this. Events to improve health & wellbeing have been undertaken with other local partners, meaning that we exceeded our target in 2023-24 and have set a new higher target for 2024-25.

Viability – to deliver a financially strong and well managed business, fit for today and prepared for tomorrow

Risk Appetite:
Our appetite for viability is MINIMALIST. We will choose options with only a limited possibility / extent of failure and will accept risk only if essential.

Strategic Risks:
S.V1 Failure to meet financial loan covenants
S.V4 Failure to manage finances and demonstrate value for money

Viability	WHA Performance						Benchmarking	
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24	Trend (Year on Year Actual)	Target 2024-25	Peer Group Median	Compare
Board Assurance: Operating margin % Demonstrates the profitability and efficiency of our day-to-day operations: • Social Housing Lettings	23.59%	21.78%	27.38%	20.80%	⇈	23.15%	18.25%	☺

• Overall	15.83%	17.91%	20.21%	16.50%		16.15%	17.60%	☺
Board Assurance: Headline social housing costs Indicates how much we are spending on our core services on a per unit basis, allowing for comparison with others and creating opportunities to learn from high-performing organisations.	£4,570	£4,703	£5,128	£4,581	↓	£5,609	£5,261	☺
Board Assurance / Customer Defined: Current arrears Demonstrates the level of rent owing from customers. Low levels of arrears indicate efficient and effective collection, keeping cash flowing into the organisation to meet our outgoings.	4.41%	4.57%	4.19%	4.00%	↑	4.00%	3.70%	☹
Collabor8 / Customer Defined: Current arrears against target £ Linked to the above measure, this demonstrates in monetary terms to our colleagues and how efficiently and effectively we are collecting rent arrears from our tenants.	£246,602	£260,678	£273,293	£244,000	↓	£279,812	n/a	n/a
Customer Defined: Rent lost through empty properties (GN).	0.38%	0.42%	0.16%	0.40%	↑	0.20%	0.74%	☺

Another way of measuring the efficiency of our voids and lettings process.								
Customer Defined: Rent collected Measuring the efficiency of rent collection from both current and former tenants as a % of rent due.	95.58%	99.55%	99.82%	100%	↑	99.90%	99.57%	☺
Regulatory Metric: EBITDA MRI interest cover A widely used business indicator showing the level of headroom to meet interest payments on outstanding debt.	241.45%	271.09%	227.12%	229.98%	↓	215.57%	246.10%	☹
Regulatory Metric: Gearing This measures the ratio of debt to assets.	12.05%	12.30%	11.86%	10.28%	→	12.32%	2.02%	☺
Regulatory Metric: Return on capital employed This measure shows how providers use both their capital and debt to generate financial returns.	2.69%	3.83%	3.27%	2.42%	↑	2.35%	3.49%	☹

For one of our highest-level indicators 'overall surplus' it is worth noting that we ended the year in a very positive position at 20.21% (based on a target of 16.50%). This was due to a number of factors, including profitable activities in our subsidiary, Lifetime Homes and improved social value performance. However, it should be noted that a proportion of the year's underspend was due to saving on colleague costs aligned to ongoing recruitment and retention issues.

We missed our rent arrears target for the year by c.£29k based on a target of 4% but our percentage position is improving when compared to previous years. This is due to a previous restructuring of the team, allowing a concentration on rent arrears and full-time income collection and the embedding of a 'rent first' culture. Rent loss has been kept to a minimum thanks to a lower level of voids and excellent re-let times.

WHA have continued to perform well against any indicators that reference our operating surplus. Our gearing ratio is set to increase again in 2024-25 and we see this as a positive indicator, reflecting the ongoing commitment to our growth strategy.

Colleagues – to be an exceptional place to work that attracts, develops and nurtures our people.

Risk Appetite:
Our overall appetite is FLEXIBLE. We expect some uncertain outcomes but choose to manage the impact.
Strategic Risks:
S.P1 Failure to maintain organisational capacity / service provision

Colleagues	WHA Performance						Benchmarking	
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24	Trend (Year on Year Actual)	Target 2024-25	Peer Group Median	Compare
Board Assurance: Average days lost to sickness A lower figure indicates colleague satisfaction & wellbeing. High colleague attendance means that we are able to maintain our high levels of service to customers	3.96	3.51	9.28	2.31	⬇	7.58	8.67	☹
Board Assurance: Staff turnover A lower figure is generally considered preferable, although there are exceptions, indicating colleague satisfaction with WHA as	17.02%	22.87%	23.76%	21.80%	⬇	16.44%	20.71%	☹

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a place to work and the ability to maintain high levels of service to customers.								
Board Assurance: Colleague satisfaction: Based on the survey question 'how happy are you at work – out of 10'	-	-	7.80	n/a	-	8.00	n/a	n/a
Board Assurance: Mandatory training completed within timescale: No oversight of mandatory training completions could result in undertrained colleagues and poor tenant outcomes	-	-	99.12%	100%	-	100%	n/a	n/a
Collabor8: Sickness – current cost to the business against target £ Linked to the average days lost to sickness KPI, this demonstrates in monetary terms to our colleagues how much sickness absence costs the business in lost time.	£24,602	£18,743	£47,979	£27,000		£35,000	n/a	n/a

After many years of experiencing low sickness absence, unfortunately this year, several genuine long-term absences have meant that we haven't achieved our target in 2023-24 and some will carry over into 2024-25. Short-term sickness absence remains within target, and we continue to credit this with the flexibility / agility offered to colleagues.

Like many organizations, both in and out of the social housing sector, we have continued to experience high levels of colleague turnover. Our recruitment and retention review concluded during the year, resulting in a number of initiatives designed to attract and retain colleagues, the most significant of which has been a terms and conditions review and a commitment to ensuring our salary levels keep pace with the market. It is hoped that this will help us to compete with larger employers in both recruitment and retention.

In previous years we have measured a net promoter score in respect of colleague satisfaction – this year, linked to our Investors In People (IiP) reassessment, this has been updated to measure colleague happiness at work with a score of 7.80 out of 10. We were pleased to retain our IiP Gold status, an award only granted to 17% of organisations.

Following an internal audit review of training & development, we have included a KPI in relation to mandatory training requirements as part of our quarterly assurance reporting to Board. We ended the year just slightly below our 100% target in terms of the time we allow colleagues to complete the training but we will continue to aim for 100% as we believe that well trained colleagues will ultimately provide a better service to our customers.

VFM Delivery

All colleagues are committed to maximising VFM whilst ensuring that the highest level of service is delivered to our customers and despite ongoing pressures, continue to seek out VFM opportunities in every aspect of their work. A snapshot of business plan objectives with a VFM focus for 2023-24 is shown below:

Theme	Project	Value for Money		
		Economy	Efficiency	Effectiveness
Homes	Accessed funding via EC04 and GBIS, saving tenants an average of £800 p.a. on their energy costs	X	X	X
Viability	ICT contract savings through successful negotiations, saving c.£8,000	X		
Viability	ICT network hosting via Azure saving c.£24,000	X		X
Social Value	Additional contract sums secured of c.£45,000	X		X
Viability	Implementation of Homemaster compliance modules		X	X
Viability	CHANW* Shared resource - Policy & Partnerships Officer	X	X	X
Viability	CHANW* Renegotiated collaboration agreement for legal services	X	X	X
Homes	External review of strategic asset management			X
Viability	Management of private rented properties for third-party brought in-house	X	X	X

Future Indicators & Plans

To allow for benchmarking comparison and trend reporting, the majority of our indicators have remained consistent for at least three years. The introduction of the TSM's will allow further benchmarking with our peers and opportunities to learn from good practice. A task & finish group of colleagues and Board members have made the following recommendations for KPI's and additional information to be included in our Assurance Reporting Framework for 2024-25:

It was agreed that 'Homes' will include performance in respect of new measures linked to Awaab's Law. This will include:

- Percentage targets for inspected / works on-site / post-inspected including timescales
- Cases received
- Cases awaiting inspection
- Cases inspected and awaiting works
- Cases complete and signed off
- Six-week post inspection confirmation

For Social Value, a new measure will be introduced in respect of business growth in WHiA. It was also agreed that we would review our definition of active / engaged volunteers in order to ensure that this measure remains meaningful to Board.

For Colleagues, we will be retaining our existing measures but a review will be undertaken in 2024-25 following the implementation of a new HR / payroll system.

Business Plan objectives for 2024-25 include a number of projects with a VFM focus:

Theme	Project	Value for Money		
		Economy	Efficiency	Effectiveness
Homes	Funding for thermal efficiency of our housing stock	X	X	X
Homes / Customers	Service charge review	X	X	X
Homes / Customers	Review of independent living schemes	X	X	X
Viability	Roll out of new Homemaster functionality / modules		X	X
Colleagues	New HR / payroll system implementation		X	X

Viability	Financial capacity / treasury review	X		
Viability	Review / retender of ICT support contract	X		X

Conclusion

The Board is ultimately responsible for ensuring achievement of VFM across the organisation and for ensuring compliance with the Regulatory Standard. Through the range of internal and external information, validation and assurance it regularly receives, the Board has concluded that WHA has good evidence to support compliance with the expected outcomes of the VFM Standard.

Political and Charitable Donations

During the year the Group made no political donations, and any charitable contributions were made within the Group's normal activities.

Approval

The Strategic Report of the Board was approved by the Board on 18th September 2024 and signed on its behalf by:

Michele Scattergood
Chair

BOARD REPORT

Statement of the Board's responsibilities under the Co-operative and Community Benefit Societies Act 2014 for a registered social landlord.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the surplus or deficit of the Group for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that Warrington Housing 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 Warrington Housing Association and to 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. It has general responsibility for taking reasonable steps to safeguard the assets of Warrington Housing Association and to prevent and detect fraud and other irregularities.

Disclosure of Information to the Auditor

Each of the Board members at the date of approval of this report has confirmed that:

- As far as Board members are aware, there is no relevant audit information of which the Group's auditor is unaware, and
- The Board members have taken all reasonable steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Internal Control Statement

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognizes that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable, but not absolute, assurance that planned business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within normal management and governance processes. This approach includes the regular evaluation of the nature and extents of risks to which the Group is exposed and is consistent with good practice. The Board have agreed that where there is no regulatory requirement, existing standards of rigour will be maintained as a minimum.

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

- *Identification and evaluation of key risks*
  Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. This process is coordinated through a regular reporting framework by the Audit & Risk Committee. The SMT regularly considers reports on significant risks facing the Group and the Chief Executive is responsible for reporting to Board any significant changes affecting key risks.
- *Control environment and control procedures*
  The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury management and new investment projects. There are governance arrangements in place supported by a framework of policies and procedures with which colleagues must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health & safety, data & asset protection and fraud detection and prevention.
- *Information and financial reporting systems*
  Financial reporting procedures include detailed annual budgets, detailed management accounts including forecasts for the year and detailed treasury reports. These are reviewed in detail by the SMT and considered and approved by the Board each quarter. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control.

BOARD REPORT

The internal control framework and risk management process is subject to regular review and is supported by internal and external auditors who are responsible for providing independent assurance to the SMT and ARC and Board members respectively. There is a formal process for the reporting and correction of significant control weaknesses. The ARC considers internal control, risk and fraud at its meetings during the year.

The Board is therefore able to confirm that there is a robust and ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

The Board confirms that no weaknesses were found in the internal controls for the year ended 31st March 2024 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

Going Concern

All Registered Providers continue to face a difficult external operating environment as the economic outlook remains uncertain. In order to deliver required improvements to quality, building safety and energy efficiency in our existing homes, there will need to be continuing substantial financial investment. We will need to balance this with the desire to continue our development programme, providing much needed homes. The Board are pleased to report another positive year-end position which provides a solid foundation from which to manage these challenges. In preparing the going concern statement, the Board have considered the following factors:

<u>Budgeting and Forecast Assumptions</u>

We have undertaken this assessment with reference to our most recent detailed five-year financial forecasts. Key assumptions in all forecasts are updated to reflect information available from the Office of Budgetary Responsibility and/or sector consultants. Forecasts for the next twelve months continue to be refined and presented to the ARC on a quarterly basis and reflect known and potential changes to income streams and both revenue and capital expenditure. No additional liabilities have been identified as a result of the changes to our operating environment and no covenant or liquidity breaches have been triggered or forecast.

<u>Stress Testing</u>

In line with regulatory requirements, the Group carries out detailed and robust testing against identified risks and combinations of risks across a range of scenarios and ensures appropriate mitigations are in place. When designing stress tests there is a clear link as follows:

Sector Risk Profile – WHA Strategic Risk – Stress Test

BOARD REPORT

There is a focus on plausible and timely wider macro-economic risks, sector specific factors and those that are specific to WHA, which are tested individually and as multi-variate scenarios:

- Macro-economic – pressures in the wider economy
    - Cost inflation shock
    - Increased development costs
    - Interest rate rises
- Sector combination – a combination of events impacting more specifically on housing associations
    - Recruitment / retention issues
    - Additional planned investment in existing homes.
    - Rent setting (rent freeze)
    - Increased voids / bad debts

The Group continues to consider the current economic uncertainty as a future risk to the business in relation to the impact of rent settlements, voids, bad debts, rent arrears, reduced social value income, and maintenance & development implications. Stress testing will continue to be carried out on all new forecasts and business plan scenarios.

<u>Government Policy</u>

Like all registered providers, we are susceptible to impacts from changing Government policy. In our business planning and stress testing we have considered the potential impacts to our operating model in several areas pertinent to the Group's activities:

- Rent setting – alternative rent settlements have been included in stress testing scenarios.
- Availability of grant funding – development plans include a prudent level of grant funding and we liaise closely with Homes England.
- Shared Ownership – our development parameters assume a moderate level of shared ownership in relation to our total development programme (10%), mitigating the risks of changes to this model which will impact on registered provider's costs.
- Carbon neutral agenda – we have used initial estimates from external sources in our stress testing scenarios to model our journey to EPC C.
- Interest rates – rising interest rates for our variable rate loans have been included in stress testing scenarios.
- Inflation – rising inflation has been factored into our scenarios, impacting on all areas of costs, revenue, capital and development.

<u>Colleague considerations</u>

It has been widely acknowledged that since the pandemic, many organizations have struggled to recruit and retain suitably experienced staff and WHA are not an outlier in this respect. Our recent exercise to review and improve terms & conditions of employment and salary levels we believe makes WHA an attractive offer to both retaining existing colleagues and to potential applicants as we are now able to match our larger competitors.

Liquidity and Borrowing

The Group's cash balances remain healthy with a balance of £1.8m at the end of June 2024. We drew £1m from our secured facility with Warrington Borough Council in May 2024 and have £5m remaining which is available until January 2026. We intend to refresh our review of financial capacity using our external treasury advisors during 2024. WHA has headroom in all of it's financial covenants and ample unencumbered assets to support future borrowing.

Cash Collection

The Board has considered that pressure on general inflation, interest rates and rising energy prices will undoubtedly impact on our tenants' ability to pay their rent. The Group has refocused resources in this area to help residents access all available Government support and local agencies. Our stress testing has considered an appropriate scenario in respect of a worsening position with appropriate mitigations.

Conclusion

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Board continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The annual general meeting will be held on 18th September 2024.

External Auditor

A resolution to reappoint RSM UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

M Scattergood.

Michele Scattergood
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARRINGTON HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Warrington Housing Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the Group and Association Statements of Comprehensive Income, the Group and Association Statements of Financial Position, the Group and Association Statements of Changes in Reserves, the Group Statement of Cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2024 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, 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 are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with section 75; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's Responsibilities statement set out on page 38, 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 group's and the parent society'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 group or the parent society 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and the Association operate in and how the group and Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Renegeration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

The engagement partner on the audit resulting in this independent auditor's report is John Guest.

Use of our report

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

RSM UK Audit LLP Statutory Auditor
Chartered Accountants
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Date: ……………..

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	2024 £000	2023 £000
Turnover	3	8,566	7,926
Operating expenditure	3	(6,810)	(6,455)
Gain on disposal of housing properties	6	216	851
Operating surplus		1,972	2,322
Interest receivable	7	75	20
Interest and financing costs	8	(521)	(384)
Surplus before tax	5	1,526	1,958
Taxation		-	-
Surplus for the year		1,526	1,958
Actuarial gain/(loss) in respect of pension schemes	22	(1,584)	1,653
Deferred tax movement relating to pension liability		-	-
Total comprehensive income for the year		(58)	3,611

All amounts relate to continuing activities.

The notes to the financial statements on pages 53-82 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 18th September 2024 and signed on its behalf by:

M Scattergood.   M Newsholme   K Capper.

Michele Scattergood
Board Member

Martin Newsholme
Board Member

Kirsty Capper
Secretary

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	2024 £000	2023 £000
Turnover	3	8,420	7,697
Operating expenditure	3	(6,680)	(6,269)
Gain on disposal of housing properties	6	216	851
Operating surplus		1,956	2,279
Interest receivable	7	89	34
Interest and financing costs	8	(521)	(384)
Surplus before tax	5	1,524	1,929
Taxation		-	-
Surplus for the year		1,524	1,929
Actuarial gain/(loss) in respect of pension schemes	22	(1,584)	1,653
Deferred tax movement relating to pension liability		-	-
Total comprehensive income for the year		(60)	3,582

All amounts relate to continuing activities.

The notes to the financial statements on pages 53-82 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 18th September 2024 and signed on its behalf by:

Michele Scattergood	Martin Newsholme	Kirsty Capper
Board Member	Board Member	Secretary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	11	85	97
Investment properties	12	750	750
Housing properties at cost	13	53,591	52,312
Other property, plant and equipment	14	5,225	5,212
Total fixed assets		59,651	58,371
Current assets			
Debtors - amounts falling due within 1 year	16	942	1,041
Debtors - amounts falling due after 1 year	16	16	13
Cash	25	1,687	2,137
		2,645	3,191
Creditors: Amounts falling due within one year	17	(2,767)	(2,481)
Net current assets / (liabilities)		(122)	710
Total assets less current liabilities		59,529	59,081
Creditors: Amounts falling due after more than one year	18	(29,025)	(30,011)
Provision for liabilities and charges	21	(8)	-
Defined benefit pension asset	22	-	1,488
Net assets		30,496	30,558
Capital and reserves			
Non equity share capital	24	-	-
Revaluation reserves		30	30
Revenue reserves		30,466	30,528
Total Reserves		30,496	30,558

The notes to the financial statements on pages 53-82 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 18th September 2024 and signed on its behalf by:

Michele Scattergood	Martin Newsholme	Kirsty Capper
Board Member	Board Member	Secretary

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ASSOCIATION STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	11	85	97
Housing properties at cost	13	53,836	52,556
Other property, plant and equipment	14	5,225	5,212
Total fixed assets		59,146	57,865
Current assets			
Debtors - amounts falling due within 1 year	16	999	1,070
Debtors - amounts falling due after 1 year	16	669	685
Cash	25	1,686	2,137
		3,354	3,892
Creditors: Amounts falling due within one year	17	(2,758)	(2,457)
Net current assets		596	1,435
Total assets less current liabilities		59,742	59,300
Creditors: Amounts falling due after more than one year	18	(29,025)	(30,011)
Defined benefit pension liability	22	-	1,488
Net assets		30,717	30,777
Capital and reserves			
Non equity share capital	24	-	-
Revenue reserves		30,717	30,777
Total Reserves		30,717	30,777

The notes to the financial statements on pages 53-82 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 18th September 2024 and signed on its behalf by:

M Scattergood.   M Newsholme   K Capper

Michele Scattergood
Board Member

Martin Newsholme
Board Member

Kirsty Capper
Secretary

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
At 31 March 2024

	Revenue Reserve £000	Revaluation Reserve £000	Total £000
At 1 April 2022	26,917	-	**26,917**
Surplus for the year	1,958	-	**1,958**
Actuarial gain in respect of pension schemes	1,653	-	**1,653**
Revaluation	-	30	**30**
At 31 March 2023	**30,528**	**30**	**30,558**
Surplus for the year	1,526	-	**1,526**
Actuarial gain in respect of pension schemes	(1,584)	-	**(1,584)**
At 31 March 2024	**30,466**	**30**	**30,496**

ASSOCIATION STATEMENT OF CHANGES IN RESERVES
At 31 March 2024

	Revenue Reserve £000	Total £000
At 1 April 2022	27,195	**27,195**
Surplus for the year	1,929	**1,929**
Actuarial gain in respect of pension schemes	1,653	**1,653**
At 31 March 2023	**30,777**	**30,777**
Surplus for the year	1,524	**1,466**
Actuarial gain in respect of pension schemes	(1,584)	**(1,584)**
At 31 March 2024	**30,717**	**30,659**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Note	2024 £000	2023 £000
Net cash generated from operating activities	24	2,718	2,527
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,596)	(4,515)
Proceeds from sale of property, plant and equipment		295	1,058
Grants received		116	822
Interest received		75	20
Net cash flows from investing activities		(2,110)	(2,615)
Cash flows from financing activities			
Interest payable		(521)	(384)
Bank loan		-	1,000
Repayment of borrowings		(537)	(580)
Net cash flows from financing activities		1,058	36
Net increase in cash and cash equivalents		(450)	(52)
Cash and cash equivalents at beginning of year		2,137	2,189
Cash and cash equivalents at end of year		1,687	2,137

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

1. Accounting Policies

Warrington Housing Association Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. The address of its registered office and principal place of business as disclosed on page 3 of these financial statements.

The principal accounting policies are summarized below. They have all been applied consistently throughout the year and the preceding year.

General Information and Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The financial statements are presented in Sterling (£), rounded to the nearest £000.

Basis of Consolidation

The financial statements for Warrington Housing Association Limited are the result of the consolidation of the financial statements of the Association and its wholly owned trading subsidiary, Lifetime Homes (Warrington) Limited. The primary purpose of Lifetime Homes (Warrington) Limited is to further the objectives of Warrington Housing Association Limited by covenanting any profits back to WHA to be reinvested in the charitable activities of WHA.

Investment in Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Going Concern

WHA's business activities, its current financial position and factors likely to affect its future prospects are set out within the Board Report on pages 38-42. WHA has long-term debt facilities in place which provide adequate resources to finance committed investment and development plans, along with day-to-day operations. WHA produces thirty-year projections which demonstrate the ability to service debt facilities whilst continuing to comply with lenders' covenants.

On the basis that the Board has a reasonable expectation that WHA has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, the financial statements have been prepared on a going concern basis.

Property, Plant and Equipment – Housing Properties

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs and interest charges incurred during the development period. Housing properties in the course of construction are stated at cost and not depreciated and are transferred to completed properties when they are ready for letting.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated. Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Component	Years
Structure	100 years
Roofs	75 years
Windows	30 years
Doors	30 years
Lifts	20 years
Bathrooms	25 years
Kitchens	20 years
Heating – Gas	45 years
Heating – Boilers	15 years
Heating – Electric	30 years
Solar Panels	25 years

For shared ownership properties in development, all properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sales and matched against sales proceeds within the operating surplus in the Statement of Comprehensive Income. Any operating surplus is restricted to the overall surplus which takes account of Existing Use Value - Social Housing of the remaining fixed asset element. The remaining element of the asset is classified as a fixed asset in the Statement of Financial Position. Subsequent tranches sold are reflected in the Statement of Comprehensive Income as a surplus or deficit after the operating results.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Non-Housing Property, Plant and Equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant, and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life at the following annual rates:

Category	Years
Office equipment, fixtures & fittings	7.5 years
Computer hardware	3 years
Freehold offices – the Gateway	60 years

Intangible Assets

Intangible assets are stated at historic cost or valuation, less accumulated amortization, and any provision for impairment. Amortization is provided on all intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life at the following annual rates:

Category	Years
Computer software	6 years

Impairment

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognized in surplus or deficit in the Statement of Comprehensive Income. Where an asset is not currently deemed to be providing service potential to the Group, its recoverable amount is its fair value less costs to sell.

Social Housing and Other Government Grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies and health authorities which meet the definition of government grants they are recognized when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognized using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognized in income on a systematic basis over the period in which related costs for which the grant is intended to compensate is recognized. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognized as revenue in the period in which it becomes receivable.

Grants relating to assets are recognized in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognized in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognized in income over the expected useful life of the component. Grants received from non-government sources are recognized as revenue using the performance model.

Recycling of Grants

Where there is a requirement to repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognize this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognized as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not to be recognized as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognized at this point.

On disposal of an asset for which government grant was received, if there is not obligation to repay the grant, any unamortized grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognized as a liability and recognized as revenue in surplus or deficit in the Statement of Comprehensive Income.

Leased Assets

Where assets are financed by leasing arrangements that give rights to approximating ownership, they are treated as if they had been purchased outright. The amount capitalized is the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in that lease. Assets are depreciated over the shorter of the lease terms and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of the lease obligation is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital payments outstanding.

Payments under operating leases are charges to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties Held for Sale and for Outright Sale

Properties held for sale are stated at the lower of cost and net realizable value being the estimated selling price less costs to complete and sell.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell.

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

Investment Properties

Investment properties consist of properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end.

Interest Payable

Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of financial liability at initial recognition.

Pensions

The Association participates in the Cheshire Pension Fund, a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the year and the cost of plan introduction, benefit changes, settlements, and curtailments. They are included as part of staff costs. The net interest cost on the net defined liability is charged to revenue and included within finance costs.

Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion, together with revenue grants from local authorities and Homes England and charitable fees and donations. Service charge income is recognized when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets Carried at Amortized Cost

Financial assets carried at amortized cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognized when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial Liabilities Carried at Amortized Cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognized at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortized cost using the effective interest method, with interest-related charges recognized as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognized only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled, or expires.

Financing Transactions – Rent Arrears

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of the extended credit arrangements the arrears are derecognized as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest. The present value adjustment is recognized in surplus or deficit in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Contingent Liabilities

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

A contingent liability exists on grant payment which is dependent on the disposal of related property.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

Restricted Reserves

Where reserves are subject to an external restriction they are separately recognized within reserves as a restricted reserve. Revenue and expenditure are included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserves to the restricted reserve.

Shared Ownership and Property Sales

Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property, plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or non-current assets.

Proceeds from the first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income for the period in which the disposal occurs and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals from fixed assets.

Gift Aid Income

Donations received under the Gift Aid scheme to the parent, WHA, from its subsidiary, LTH, are recognized as turnover upon receipt as it relates to the principal activities of the Association and is eliminated on consolidation.

2. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of the financial statements in the conformity with generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

could differ from those estimates. In this regard, the Board believe that the critical accounting policies where judgements and estimations are necessarily applied are summarized below.

Significant Management Judgements

Impairment of Social Housing and Other Properties

The Group has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria as set out in the SORP.

Estimation of Uncertainty

The Group makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Depreciation and Residual Values

The Board has reviewed the asset lives and associated residual values of all fixed asset classes and has concluded that asset lives and residual values are appropriate.

Accumulated depreciation of housing properties as at 31 March 2024 was £15,644k. The carrying amount of housing properties as at 31 March 2024 was £53,592k. Depreciation charged during the year amounted to £1,032k.

Provisions and Accruals

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

The provision for bad debts as at 31 March 2024 was £67k and accruals as at 31 March 2024 amounted to £161k.

Defined Benefit Pension Scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. As at the year ended 31 March 2024, the net defined benefit asset was £4,103k. This has been restricted to nil to reflect the net present value of the employers future service costs less the estimate o the minimum funding requirement.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. Particulars of Turnover, Operating Costs and Operating Surplus - Group

	2024		
	Turnover £'000	Operating expenditure £'000	Operating Surplus £'000
Social housing lettings	7,468	(5,399)	2,069
Other social housing activities			
Gateway Centre lettings	418	(310)	108
Development services	-	(294)	(294)
LifeTime	66	(221)	(155)
Warrington Home Improvement Agency	380	(449)	(69)
Gain on disposal of housing properties	216	-	216
Other	18	(3)	15
	8,566	(6,676)	1,890
Activities other than social housing			
Lifetime Homes (Warrington) Limited	206	(131)	75
Other	10	(3)	7
Total	8,782	(6,810)	1,972

	2023		
	Turnover £'000	Operating expenditure £'000	Operating Surplus £'000
Social housing lettings	6,834	(5,113)	1,721
Other social housing activities			
Gateway Centre Lettings	377	(268)	109
Development services	-	(206)	(206)
Lifetime	68	(222)	(154)
Warrington Home Improvement Agency	387	(456)	(69)
Gain on disposal of housing properties	851	-	851
Other	20	-	20
	8,537	(6,265)	2,272
Activities other than social housing			
Lifetime Homes (Warrington) Limited	230	(187)	43
Other	10	(3)	7
Total	8,777	(6,455)	2,322

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. Particulars of Turnover, Operating Costs and Operation Surplus – Association

	2024 Turnover £'000	2024 Operating expenditure £'000	2024 Operating Surplus £'000
Social housing lettings	7,468	(5,399)	2,069
Other social housing activities			
Gateway Centre Lettings	418	(310)	108
Development services	-	(294)	(294)
Lifetime	66	(221)	(155)
Warrington Home Improvement Agency	380	(449)	(69)
Gain on disposal of housing properties	216	-	216
Other	18	(3)	15
	8,566	(6,676)	1,890
Activities other than social housing			
Gift Aid	58	-	58
Other	12	(4)	8
Total	8,636	(6,680)	1,956

	2023 Turnover £'000	2023 Operating expenditure £'000	2023 Operating Surplus £'000
Social housing lettings	6,834	(5,113)	1,721
Other social housing activities			
Gateway Centre Lettings	377	(268)	109
Development services	-	(206)	(206)
Lifetime	68	(222)	(154)
Warrington Home Improvement Agency	387	(456)	(69)
Gain on disposal of housing properties	851	-	851
Other	20	-	20
	8,537	(6,265)	2,272
Activities other than social housing			
Other	11	(4)	7
Total	8,547	(6,269)	2,279

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. Particular of Income and Expenditure from Social Housing Lettings – Group and Association

	General Needs Housing £000	Supported Housing & Housing for Older People £000	Low Cost Home Ownership £000	Temporary Social Housing £000	2024 Total £000	2023 Total £000
Income						
Rents receivable	5,309	926	110	140	6,485	5,903
Service charge income	388	255	-	-	643	605
Support charges	-	43	-	-	43	40
Net rents receivable	5,697	1,224	110	140	7,171	6,548
Amortised government grant	210	62	14	11	297	286
Turnover from social housing lettings	5,907	1,286	124	151	7,468	6,834
Expenditure						
Service charge costs	(699)	(537)	-	-	(1,236)	(1,184)
Care and support costs	-	(78)	-	-	(78)	(75)
Management	(735)	(125)	(127)	(19)	(1,006)	(945)
Routine maintenance	(1,004)	(171)	-	(26)	(1,201)	(1,217)
Major repairs expenditure	(754)	-	-	-	(754)	(693)
Bad debts	(36)	-	-	-	(36)	(17)
Depreciation & write off of housing properties	(880)	(162)	(20)	(26)	(1,088)	(982)
Total Expenditure	(4,108)	(1,073)	(147)	(71)	(5,399)	(5,113)
Operating surplus on social housing lettings	1,799	213	(23)	80	2,069	1,721
Void losses	13	-	-	-	13	52

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

4. Housing Stock – Group and Association

	Group		Association	
	2024 Units	2023 Units	2024 Units	2023 Units
Social housing:				
General needs				
- Social rent	972	974	972	974
- Affordable rent	64	60	64	60
- Intermediate rent	1	1	1	1
- Shared ownership	34	34	34	34
Supported housing	71	72	71	72
Housing for older people	157	157	157	157
Leasehold	43	43	43	43
Total owned	**1,342**	1,341	**1,342**	1,341
Managed for others	**1**	1	**1**	1
Total owned and managed	**1,343**	1,342	**1,343**	1,342
Non-social housing:				
Market rent	4	4	-	-
Managed for others	161	161	-	-
Total owned and managed	**1,508**	1,507	**1,343**	1,342
Accommodation in development at the year end	**12**	16	**12**	16

5. Operating Surplus – Group and Association

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
The operating surplus is stated after charging/(crediting):				
Depreciation of housing properties	1,033	943	1,033	943
Depreciation of other tangible fixed assets	119	117	119	117
Government grants	(344)	(422)	(344)	(422)
(Gain)/loss on disposal of fixed assets	(216)	(851)	(216)	(851)
Audit fees:				
Statutory audit	37	34	31	28
Audit related assurance services	30	20	30	20
Tax advisory services	10	5	10	5
Operating lease rentals	11	16	11	16

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

6. Surplus on Disposal of Property, Plant and Equipment – Group and Association

	Right-to-Buy £000	Others £000	Total 2024 £000	Total 2023 £000
Proceeds of sale	250	45	295	1,058
Less: Costs of sale	(31)	(48)	(79)	(207)
Surplus	219	(3)	216	851

7. Interest Receivable and Other Income – Group and Association

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank interest receivable	75	20	89	34
	75	20	89	34

8. Interest & Financing Costs – Group and Association

	2024 £'000	2023 £'000
Bank loans and overdrafts	506	374
Costs associated with financing	8	8
RCGF interest added	7	2
	521	384

9. Employees – Group and Association

Average monthly number of employees expressed as full time equivalents (calculated based on a 35 hour week)	2024 No.	2023 No.
Administration (includes Domestics)	7	7
Resources	10	9
Property Services	9	7
Housing	10	10
LifeTime	2	3
Home Improvement Agency	7	9
	45	45

Employee costs:	2024 £000	2023 £000
Wages and salaries	1,593	1,451
Social Security costs	158	156
Other pension costs	249	248
	2,000	1,855

The full time equivalent number of staff, including Executive Directors, who received emoluments, including pension contribution and compensation for loss of office, in excess of £60,000 were:

	2024 No.	2023 No.
£60,000 to £69,999	2	2
£70,000 to £79,999	1	-
£80,000 to £89,999	-	-
£90,000 to £99,999	1	1
£100,000 to £109,999	1	-
£110,000 to £119,999	-	-
£120,000 to £129,999	-	1
£130,000 to £139,999	1	-

10. Board Members and Executive Directors – Group and Association

The aggregate remuneration for key management personnel, which includes the directors and other members of the senior management team, charged in the year is:

	2024 £000	2023 £000
Wages and salaries	586	469
Social Security costs	70	61
Other pension costs	87	83
	743	613

Board Members:	2024 £000	2023 £000
Wages and salaries	35	30
Social Security costs	-	-
Other pension costs	-	-
Benefits in kind	-	-
	32	30

	2024 £'000	2023 £'000
Judith Winterbourne	3	6
Michele Scattergood	5	-
Steve License	4	4
Anthony Rimmer	1	2
Eliot Ward	-	3
Tracy Mainwaring	3	3
Martin Newsholme	4	4
Alison Dean	2	2
Janet Richmond	2	2
David Simons	2	2
Carl Talbot-Davies	2	1
Jimmy Overill	2	1
Louise Murphy	2	-
	32	30

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

10. Board Members and Executive Directors – Group and Association

Remuneration of the highest paid director, excluding pension contributions:

	2024 £000	2023 £000
Emoluments	112	104
	112	104

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply. No contributions are made to individual pension arrangements, by the Association or its subsidiaries.

11. Intangible Assets – Group and Association

	Computer Software £000	Total £000
Cost		
At 1 April 2023	192	192
Additions	14	14
At 31 March 2024	206	206
Amortisation		
At 1 April 2023	94	94
Charge for the year	27	27
At 31 March 2024	121	121
Net book value		
At 31 March 2024	85	85
At 31 March 2023	98	98

12. Investment Properties – Group

	2024 £000	2023 £000
At 1 April	750	715
Additions	-	-
Increase in value	-	30
Other adjustments	-	5
At 31 March	750	750

13. Tangible Fixed Assets – Housing Properties – Group

	Housing properties held for letting £'000	Housing properties under construction £'000	Completed shared ownership properties £'000	Total £'000
Cost				
At 1 April 2023	65,398	1,054	591	67,043
Additions	-	1,014	-	1,014
Work to existing properties	1,436	-	-	1,436
Disposals	(257)	-	-	(257)
Transfers - completed properties	725	(725)	-	-
At 31 March 2024	**67,302**	**1,343**	**591**	**69,236**
Depreciation				
At 1 April 2023	14,731	-	-	14,731
Charge for the year	1,032	-	-	1,032
Eliminated on disposal	(118)	-	-	(118)
At 31 March 2024	**15,645**	**-**	**-**	**15,645**
Net book value				
At 31 March 2024	**51,657**	**1,343**	**591**	**53,591**
At 31 March 2023	**50,667**	**1,054**	**591**	**52,312**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

13. Tangible Fixed Assets – Housing Properties – Association

	Housing properties held for letting £'000	Housing properties under construction £'000	Completed shared ownership properties £'000	Total £'000
Cost				
At 1 April 2023	65,642	1,054	591	67,287
Additions	-	1,014	-	1,014
Work to existing properties	1,436	-	-	1,436
Disposals	(257)	-	-	(257)
Transfers - completed properties	725	(725)	-	-
At 31 March 2024	67,546	1,343	591	69,480
Depreciation				
At 1 April 2023	14,731	-	-	14,731
Charge for the year	1,032	-	-	1,032
Eliminated on disposal	(119)	-	-	(119)
At 31 March 2024	15,644	-	-	15,644
Net book value				
At 31 March 2024	51,902	1,343	591	53,836
At 31 March 2023	50,911	1,054	591	52,556

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

13. Tangible Fixed Assets – Housing Properties – Group and Association

Expenditure on works to existing properties	2024 £'000	2023 £'000
Improvement works capitalized	-	-
Components capitalized	1,436	1,101
Amounts charged to income and expenditure	446	356
	1,882	1,457

Social housing assistance	2024 £'000	2023 £'000
Total accumulated social housing grant received or receivable at 31 March:		
Capital grant	28,399	28,294
Revenue grant	-	-
	28,399	28,294

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Freehold land and buildings	38,916	37,637	39,161	37,881
Long leasehold land and buildings	14,140	14,140	14,140	14,140
Short leasehold land and buildings	535	535	535	535
	53,591	52,312	53,836	52,556

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

14. Tangible Fixed Assets – Other – Group and Association

	Freehold Properties £000	Fixtures and fittings £000	Total £000
Cost			
At 1 April 2023	6,380	335	6,715
Additions	98	33	131
Disposals	-	-	-
At 31 March 2024	6,478	368	6,846
Depreciation			
At 1 April 2023	1,279	224	1,503
Charge for year	82	36	118
Eliminated on disposal			
At 31 March 2024	1,361	260	1,621
Net book value			
At 31 March 2024	5,117	108	5,225
At 31 March 2023	5,101	111	5,212

15. Principal Group Investments

The parent Association has investments in the following subsidiary undertakings which principally affected the surpluses or net assets.

Subsidiary Undertakings	Principal Activity	Holding	%
LifeTime Homes (Warrington) Limited	General commercial company	£1	100%

16. Debtors – Group and Association

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Rent arrears	351	362	351	362
Less: provision for bad debts	(67)	(84)	(67)	(84)
	284	278	284	278
Prepayments and accrued income	273	277	303	191
Property held for sale	-	47	-	47
Amount due from subsidiary	-	-	8	97
Loan to subsidiary due in 1 year	-	-	19	18
Other debtors	385	439	385	439
	658	763	715	792
Amounts falling due after one year:				
Other debtors	16	13	669	685
	958	1,054	1,668	1,755

No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be insignificant.

17. Creditors – Amounts Falling Due Within One Year – Group and Association

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	1,045	951	1,032	930
Rents received in advance	165	154	165	154
Accruals & deferred income	299	310	299	310
Other creditors	333	310	337	307
Government grants	304	293	304	293
Property held for sale	-	26	-	26
Housing loan repayments in one year or less	621	437	621	437
	2,767	2,481	2,758	2,457

18. Creditors – Amounts Falling Due After More Than One Year – Group and Association

	2024 £'000	2023 £'000
Amounts falling due after more than one year:		
Loans repayable by instalments:		
In one year or more but less than two years	647	462
In two years or more and less than five years	2,114	1,549
In five years or more	4,767	6,246
Less: loan issue costs	(107)	(115)
	7,421	8,142
Recycled capital grant fund	165	119
Deferred government grants	20,842	21,054
Amounts due to leaseholders	595	694
Other creditors	2	2
	29,025	30,011

All loans are secured by fixed charges on property stock. At 31 March 2024, 530 individual properties were secured against the loans with a net book value of £17,513k (2023: £17,509k). The loans are repayable by instalments and are repaid by quarterly or half-yearly instalments at interest rates payable range from 4.51% to 6.94%. In addition to the above debt at 31 March 2024 the association had £6.0m of undrawn loan facilities (2023: £6.0m).

The total accumulated amount of capital grant received or receivable at 31 March 2024 is £28,399k (2023: £28,294k).

19. Deferred Grant Income – Group and Association

	2024 £000	2023 £000
At 1 April	21,372	20,916
Grant received in the year	117	878
Amortisation to Statement of Comprehensive Income	(343)	(422)
At 31 March	21,146	21,372
Amounts to be released within one year	304	293
Amounts to be released in more than one year	20,842	21,054

20. Recycled Capital Grant Fund – Group and Association

	2024 £'000	2023 £'000
At 1 April	119	56
Recovery of capital grant	39	117
Fund utilisation	-	(56)
Interest accrued	7	2
At 31 March	165	119

21. Provision for Liabilities and Charges – Deferred Tax - Group

	2024 £'000	2023 £'000
At 1 April	-	-
Adjustment in respect of prior years	8	-
At 31 March	8	-

22. Retirement Benefit Schemes – Group and Association

Cheshire West and Chester Council manages and administers the Cheshire Pension Fund (CPF) for public and voluntary sector members; Warrington Housing Association participates in this scheme. The scheme is a defined benefit statutory scheme, the assets of which are held in a separate trustee administered fund.

Under the scheme, the employees are entitled to retirement benefits equal to a 49th of pensionable pay for each scheme year that they are a member on attainment of the State Pension age. No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuation of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by Hymans Robertson LLP. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The valuation recorded a net asset, however this has been restricted to reflect the net present value of the employer's future service costs less the estimate of the minimum funding requirement.

The employer's contributions to CPF by the Group for the year ended 31st March 2024 were £207k (2023: £222k) at a contribution rate of 25.1%.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

22. Retirement Benefit Schemes (continued) – Group and Association

The Association is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgement means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact of any, on the valuation of scheme liabilities remains unknown.

Assumptions as at	31 March 2024 % per annum	31 March 2023 % per annum
Inflation / Pension Rate Increase	2.75%	2.95%
Salary Increase Rate	3.45%	3.65%
Expected Return on Assets	4.85%	4.75%
Discount Rate	4.85%	4.75%

Life Expectancy	31 March 2024	
	Males	Females
Current Pensioners	21.1 y	22.4 y
Future Pensioners	22.0 y	25.3 y

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below:

Period Ended	Current Pensioners	Future Pensioners
31st March 2023	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

22. Retirement Benefit Schemes (continued) – Group and Association

Assets (whole fund)	Fund Value at 31 March 2024 £000	Fund Value at 31 March 2023 £000
Equities	6,540	5,901
Bonds	4,708	4,426
Property	1,569	1,598
Cash	262	369
Total	13,079	12,294

Net Pension Asset/(Liability) as at:	31 March 2024 £'000	31 March 2023 £'000
Fair Value of Employers Assets	13,079	12,294
Present Value of Funded Liabilities	(8,976)	(8,910)
Net (Under) / Overfunding in Funded Plans	4,103	3,384
Present Value of Unfunded Liabilities	-	-
Unrecognised Past Service Cost	-	-
Restriction of Asset	(4,,103)	(1,896)
Net (Liability)/Asset	-	1,488
Amount in the Balance Sheet		
Liabilities	-	-
Assets	-	1,488
Net (Liability)/Asset	-	1,488
Deferred Tax on Pension	-	-
Net (Liability)/Asset	-	1,488

Amount Charged to Operating Profit	Year to 31 March 2024		Year to 31 March 2023	
	£000	(% of Payroll)	£000	(% of Payroll)
Current Service Cost*	182	21.95%	387	43.88%
Interest Cost	422	50.90%	366	41.50%
Expected Return on Employer Assets	(583)	(70.33%)	(366)	(41.50%)
Past Service Cost / (Gain)	-	-	-	-
Losses /(Gains) on Curtailments & Settlements	-	-	-	-
Total	21	2.52%	387	43.88%
Actual Return on Plan Assets	811		(1,216)	

* The current service cost includes an allowance for administration expenses of 0.7% (2023: 0.6%) of payroll.

22. Retirement Benefit Schemes (continued) – Group and Association

Year Ended	31 March 2024 £000	31 March 2023 £000
Opening defined benefit obligation	8,910	13,416
Current Service Cost	182	387
Interest Cost	422	366
Contributions by Members	59	64
Actuarial Losses / (Gains)	(305)	(5,144)
Past Service Costs / (Gains)	-	-
Estimated Benefits Paid	(292)	(179)
Closing Defined Benefit Obligation	8,976	8,910

Year Ended	31 March 2024 £000	31 March 2023 £000
Opening Fair Value of Employer Assets	12,294	13,525
Expected Return on Assets	228	366
Contributions by Members	59	64
Contributions by the Employer	207	222
Actuarial Gains/(Losses)	583	(1,704)
Benefits Paid	(292)	(179)
Closing Fair Value of Employer Assets	13,079	12,294

23. Financial Instruments – Group and Association

The carrying values of the Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial Assets				
Measured at undiscounted amount receivable				
- Rent arrears and other debtors	685	730	1,330	1,305
- Amounts due from subsidiary	-	-	66	97
	685	730	1,396	1,402
Financial Liabilities				
Measured at amortised cost				
- Loans payable	8,042	8,579	8,042	8,579
Measured at undiscounted amount payable				
- Trade and other creditors	1,543	1,415	1,535	1,392
	9,585	9,994	9,577	9,971

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest income and expense				
Total interest income for financial assets at amortised cost	75	20	89	34
Total interest expense for financial liabilities at amortised cost	(521)	(382)	(521)	(382)
	(446)	(362)	(432)	(348)

24. Share Capital – Group and Association

	2024 £	2023 £
Shares of £1 each issued and fully paid		
At 1 April	10	9
Redeemed during the year	(2)	(1)
Issued during the year	2	2
At 31 March	10	10

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

25. Statement of Cash Flows - Group

	2024 £000	2023 £000
Surplus for the year	1,526	1,958
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	1,234	1,085
Amortisation of Government grant	(304)	(293)
Decrease/(increase) in debtors	49	(81)
Increase/(decrease) in creditors	92	(29)
Other adjustments	(109)	374
Surplus on sale of property, plant and equipment disposals	(216)	(851)
Cash generated from operating activities	2,272	2,163
Adjustment for investing or financing activities:		
Interest paid	521	384
Interest received	(75)	(20)
Net cash generated from operating activities	2,718	2,527

Cash and cash equivalents at end of year		
Cash at bank and in hand	1,687	2,137
Cash equivalents	-	-
	1,687	2,137

Of the above cash balances £433k (2023: £449k) is not available for distribution. £251k is held as sinking funds for Association properties and £182k is held on behalf of Warrington Borough Council in our role as their loan agent.

25. Statement of Cash Flows - Group (continued)

Analysis of changes in net debt	1 April 2023 £000	Cashflows £000	31 March 2024 £000
Cash in hand, at bank	2,137	(450)	1,687
Current asset investments	-	-	-
	2,137	(450)	1,687
Debt due within one year	(437)	(184)	(621)
Debt due after one year	(8,142)	721	(7,421)
	(8,579)	537	(8,042)
Total	(6,442)	87	(6,355)

26. Financial Commitments – Group and Association

Capital commitments are as follows:

	2024 £000	2023 £000
Contracted for but not provided for	702	1,278
Approved by the directors but not contracted for	2,494	1,275
	3,196	2,553

Capital commitments will be financed by:	2024 £000	2023 £000
Grants	1,418	164
Agreed Loans	500	500
Reserves	1,278	1,889
	3,196	2,553

For the year ended 31 March 2024

26. Financial Commitments – Group and Association (continued)

Total future minimum lease payments under non-cancellable operating leases are as follows:	2024 £000	2023 £000
Payments due:		
- within one year	9	9
- between one and five years	14	24
- after five years	-	-
	23	33

27. Related Party Transactions

Board members are reimbursed for travel & subsistence expenses. The total amount paid to members during the year (to the nearest £'000) was nil (2023: nil). At 31 March 2024, nil (2023: nil) was due to members (to the nearest £'000).

Lifetime Homes (Warrington) Limited (LTH) is a wholly owned subsidiary of WHA at the end of the year. LTH is a non-regulated registered company under the Companies Act 2006. The Group takes exemption under FRS 102, section 33, not to disclose related parties with entities consolidated within these statements.

Amounts owed by group undertakings is disclosed in Note 16 and amounts owed to group undertakings in Note 17 and 18.

The group considers key management personnel to be the Board and Senior Management Team. Disclosure relating to key management personnel are included in Note 10.