2023

Annual Report

Year ended 31 March 2023

Housing Solutions

Co-operative and Community Benefit Societies No. 27876R

The Housing Solutions Group

Housing Solutions is a registered housing provider with charitable status dedicated to providing affordable and supported homes.

We have a housing stock of 6,389 properties owned or managed in the South East of England. We offer affordable homes to rent, shared ownership schemes, key worker housing and specialist accommodation for older people and people who need support and care to live within the community. All our homes are supported by a range of housing services, including our own professional team of maintenance staff who provide a comprehensive repair and maintenance service.

As of 31 March 2023 there were three subsidiaries within the Group:

Housing Solutions Capital PLC set up to facilitate capital market funding for the Group.

HSG Property Services Limited provides photo voltaic panels on residents' roofs and other energy saving solutions to save utility costs for those residents and at the same time produce revenue for the Group through the Feed in Tariff programme.

Housing Solutions Development Limited set up to facilitate the tax efficient design and building of properties for the Group.

Our core purpose

Our core purpose is to provide rented housing for disadvantaged local people, who cannot afford to buy or rent on the open market.

Our values

- Ownership
- Innovation
- Teamwork
- Inclusion

Contents

Residents at our extra care scheme enjoying the Jubilee celebrations

Members, Executives and Advisers

Board of Management

Chairman	Elizabeth J. Padmore (Independent)
Chief Executive	Orla Gallagher
Senior Independent Director	Angus McCallum (Independent)
Chair of Audit & Risk Committee	Nick Whitaker (Independent)
Chair of Funding Committee	Valerie Kendall (Independent)
Chair of Remuneration Committee	Angus McCallum (Independent)
Chair of Nominations Committee	Elizabeth J. Padmore (Independent)

Board Members

John Taylor (Independent) (Resigned 4 July 2022)

Jeremy Stibbe (Independent)

Rebecca Smith (Independent)

Barry Malki (Independent)

Fred Maroudas (Independent) (Appointed 16 November 2022)

Ian Windsor (Independent) (Appointed 16 November 2022)

Orla Gallagher (Chief Executive)

James Measures (Retired 21 September 2022)

Company Secretary

Shazia Nazir (up to 20 March 2023)
Mary Swaine (Appointed 21 March 2023)

Executive Directors

Chief Executive	Orla Gallagher
Director of Finance	David Joyce
Director of Property & Development	Steven Brookfield
Director of Corporate Services	Carol Lovell
Director of Resident Services & Community	Jackie Fearon

The Executive Team hold no interest in the Association's shares and act within the authority delegated by the Board.

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Auditors

External Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Internal Auditors

Beever & Struthers
15 Bunhill Row
London
EC1Y 8LP

Funders

AIB Group (UK) plc
St Helen's
1 Undershaft
London
EC3A 8AB

Santander UK Plc
17 Ulster Terrace
Regents Park
London
NW1 4PJ

Danske Bank
PO Box 183
Donegall Square West
Belfast
BT1 6JS

MORhomes PLC
Future Business Centre
Kings Hedges Road
Cambridge
CB2 2HY

M & G Limited
Laurence Pountney Hill
London
EC4R 0HH

Pension Insurance
Corporation plc
14 Cornhill
London
EC3V 3ND

Legal & General Investment
Management Ltd
One Coleman Street
London
EC2R 5AA

Treasury Advisors

Centrus
Senator House
85 Queen Victoria Street
London
EC4V 4AB

Valuers

Jones Lang LaSalle Limited
22 Hanover Square
London
W1S 1JA

Registered with Homes England Reg No. L4073 and Registered as a Mutual Benefit Society under the Co-operative and Community Benefit Act 2014 Reg No. 27876R

Registered Office, Crown House, Crown Square, Waldeck Road, Maidenhead, Berkshire SL6 8BY.

A statement from the Chairman

I am pleased to report that, despite a challenging economic environment, we have had a number of significant successes during the year, resulting in improved outcomes for our residents.

We've worked hard to improve our resident facing services, strengthen our financial position and strengthen our local presence. We have also developed more meaningful and lasting relationships with many of our residents to better understand their diverse needs and we've enhanced our partnerships with local authorities, funders, and charities to help us meet those needs. I am pleased with our progress but we are keen to build on this for the future.

The Board set our Executive team a number of strategic goals to achieve this year and this report highlights a number of our achievements, alongside the risks we are managing, and the areas where we want to do better.

Throughout 2022/23 we continued to support residents through the cost-of-living crisis, helping many people to benefit from additional income. We recognise that many of our residents will spend a greater proportion of their income on basics such as food and utilities, the two areas which had the greatest cost of living increases during the year. The support we provide residents to secure extra income has never been as important and our dedicated Welfare and Benefits team have worked with over 1,200 residents on bespoke income plans, and I am delighted to report, secured £285,000 of additional income for residents.

Damp and mould was sadly highlighted in the press following the tragic death of Awaab Ishak from prolonged exposure to mould. We provided a comprehensive response to our Regulator on damp and mould. We have always taken this matter very seriously and in 2019 we moved from a five to three-year cycle of stock condition surveys to make sure we tackled emerging issues more rapidly before they developed. We now also have an in-house rapid response team that quickly deals with damp and mould problems raised by residents, as well as ensuring that staff are trained in identifying damp and mould, and are able to report on this promptly. They, and indeed our residents, can now do this digitally while they are visiting people's homes. To help us achieve this we have developed an app, supported by an automated chatbot, which will free up an average of approximately 150 hours a month of staff time that will then be dedicated to providing assistance to more complex resident needs and issues.

In March this year we successfully completed a large acquisition of 455 homes from One Housing Group (OHG). We've been working in partnership with OHG for many years, including carrying out repair services on their behalf, so we already have a good understanding of their tenants and stock.

This acquisition allows us to provide a complete management service, increase the concentration of properties we manage in our communities, and enables us to focus more resources to make positive changes, and improving our resilience to benefit all our residents. We have set aside dedicated resources to ensure that the transition will be smooth and the residents benefit from the local and community-based services offered by Housing Solutions, with no impact to our current services.

In a time of economic uncertainty and a changing financial environment, it is important that we ensure as much financial stability as reasonably possible. During the year we successfully restructured our loans resulting in increasing the average life of our facilities, improving our liquidity, and covenants that permit greater investment in our housing stock. This will enable improved long term investment planning for our existing housing stock, ensuring our homes are kept to the standard that we have set ourselves to achieve. Even with these challenges, we retained the highest regulatory grade for governance and financial resilience of G1 V1, as well as our S&P A+ stable credit rating.

The support we provide residents to secure extra income has never been as important and our dedicated Welfare and Benefits team have worked with over 1,200 residents on bespoke income plans.

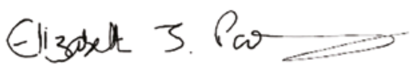
Whilst these challenges have rightly occupied the Board, so too has our commitment to hearing and acting on 'the voice of the resident'. We have increased the number of our key involved resident groups, as well as increasing the number of community events to over 200 in the last year. This is helping us to understand and act on the things that make a difference to residents. At the core of some of these changes has been the desire to communicate more effectively, in a variety of ways to maximise opportunities for residents to be involved and influence change. This includes residents driving the direction and objectives in our resident engagement strategy consultation; policies being referred to resident groups for consultation as standard practice; residents being actively involved in the recruitment of several key posts; and our first virtual Homeowner conference where homeowners provided feedback on how to improve our digital communications with residents.

Our Board is acutely aware that the 7% rent increase set by the government this year was higher than the previous two decades, and that this would not be easy for residents, particularly in a time of a cost of living crisis. We had to balance the impact this will have with meeting our responsibilities of ensuring that our residents and staff are kept safe, our business is sustainable, and our residents are satisfied with their homes. We are working hard to ensure that residents who are struggling with the cost of living crisis are being supported by our specialist income teams.

We also further strengthened our Board this year with two new highly competent and experienced non-executive directors, Fred Maroudas and Ian Windsor. Fred has extensive senior treasury and commercial experience in UK regulated capital markets with a focus on infrastructure. Ian has led various digital and organisational transformations in UK and global companies including Procter & Gamble, WH Smith and Reckitt Benckiser. Ian is currently Chief Information Officer at ConvaTec Plc, a FTSE 100 company. We also said goodbye to a long-serving, valued Board member, James Measures, who I would like to thank for his dedication and commitment to Housing Solutions.

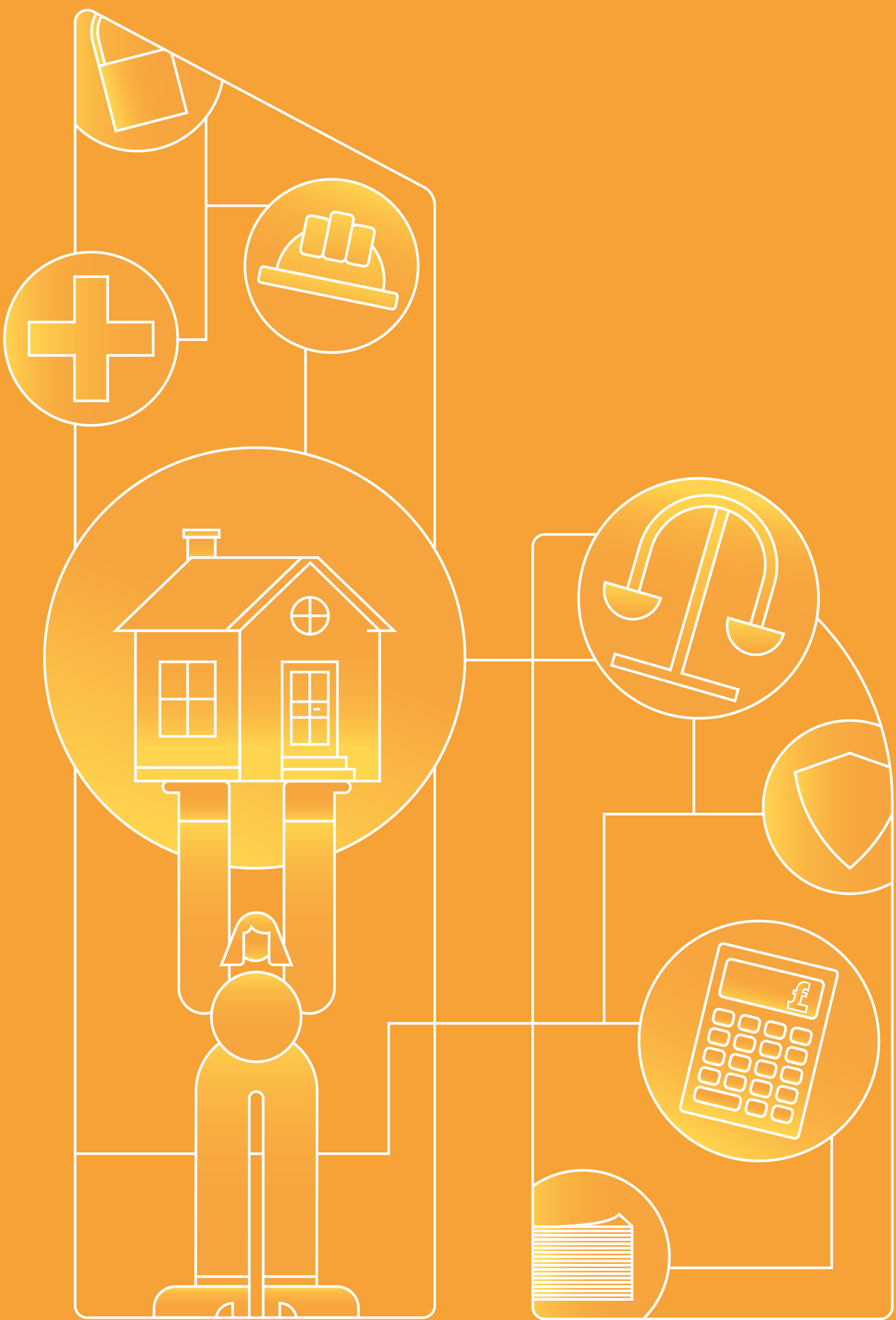
Our continuing success depends on effective governance, so in March 2023, as part of our dedication to governance excellence, we commissioned an external, independent governance review. The review is in line with the NHF Code of Governance, and the Board anticipates receiving the final report in the autumn of 2023.

I would like to thank all our wonderful staff, the Executive team, and my fellow Board members for their hard work, dedication, and support over the year in delivering these results. We look forward to achieving the next phase of Housing Solutions' corporate strategy, drawing on the additional strength and resilience we have built, to deliver much-needed homes and quality services for our residents and communities.



Elizabeth J Padmore – Chairman

Our Governance



Report of the Board

The Board of Housing Solutions presents its report together with the audited financial statements of Housing Solutions (the Association) and Housing Solutions Group (the Group) for the year ended 31 March 2023.

The Group comprises of the Association and its subsidiary undertakings: Housing Solutions Capital plc, HSG Property Services Limited, and Housing Solutions Development Limited. Housing Solutions is a Public Benefit Entity.

Principal activities

The Group's principal activities are the development and management of affordable and supported housing and providing repairs services to its own stock.

Housing Solutions has charitable status and operates three key business streams:

- housing for rent, primarily for households who are unable to rent or buy at open market rates;
- supported housing, for people who need additional housing-related support;
- low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their home.

As well as owning or managing 6,389 properties, the Group develops new affordable housing and is a member of the Sovereign Development Consortium (SDC) which facilitates access to Homes England grant funding.

The Group also provides a small amount of non-social housing, and market rent accommodation. However, the Group's focus remains its social housing activities and these constitute 95% of the Group's activities by turnover.

Social housing activities constitute 95% of the Group's activities by turnover

Sheltered scheme residents at the King's Coronation party

Board members & Executive Directors

The present Board members, committee structure and Executive directors of the Group are set out on page 6.

All Executives work within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Employment contracts

Excluding the Chief Executive, Board members are paid based on a scale reflecting their relative responsibilities to the Group. The total amount paid to Board members during 2022/23 was £66,945.

The Executive directors, including the Chief Executive, were employed on the same terms as other staff with notice periods of six months.

The Chief Executive's salary is set at the market rate.

Overview of our business

The Group's head office is in Maidenhead and its properties are primarily in Maidenhead and surrounding areas, although increasingly new social housing properties are being developed in Wokingham, Slough, and around the counties of Berkshire and Buckinghamshire which we fund and manage.

Corporate Governance

Corporate Governance Statement

The Board has assessed its compliance against its adopted Code of Governance (National Housing Federation Code of Governance 2020) and is satisfied that the organisation's governance is compliant with the material aspects of the Code, and is supported by its internal controls, policies, and procedures. The Board approved transitional arrangements in July 2021 to ensure alignment with the Code's provisions on maximum tenure for non-executive directors. The arrangements are designed to ensure that the organisation retains the skills and experience required to deliver its Corporate Strategy and plan (2021/2026) in the current operating environment. The transitional arrangements reflect the provisions within the Code to extend non-executive director tenure to a maximum of 9 years where it is in the organisation's best interests to do so. The Board has elected to apply this flexibility in some cases to retain key skills of senior members of the Board and support effective succession planning.

All required disclosures have been made, and registers have been maintained regarding gifts and hospitality accepted and given to Board members and employees. The Board monitors the regulatory compliance framework, which allows the organisation to self-assess and provide evidence to demonstrate its compliance with the Regulatory Standards and identify gaps, which can then be addressed. The self-assessment was presented to Board on 19 July 2023, which demonstrated compliance.

Compliance with Regulatory Standards

The Board of Housing Solutions has carefully considered the requirements of the Regulatory Standards and has robustly assessed and received assurance of Housing Solutions' compliance with them during the year. The self-assessment was presented to Board on 19 July 2023. On this basis, the Board confirms that Housing Solutions has complied in all material aspects with the Regulator of Social Housing standards during the reporting period ended 31 March 2023 and to the date of approval of the financial statements.

Regulatory performance

Following an in-depth assessment in November 2021 and reaffirmed in November 2022, the Regulator of Social Housing confirmed that the governance and financial viability grades for Housing Solutions remained as:

G1: the provider meets our governance requirements.

V1: the provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.

Diversity & Inclusion

The Board ultimately defines our culture, including our commitment to inclusion. In November 2021 the Board approved our Equality, Diversity & Inclusion Strategy (2021/26), overseeing how we perform on our yearly action plans to bring the Strategy to life. In 2022 we delivered the second year of the Strategy's action plan. We strengthened our requirements for contractors and suppliers working with us, to ensure they share our aims and ethos and delivered a tailored EDI training programme for our Board and staff to supplement our existing core training.

The Board attended conscious inclusion training in November, supported by a sector-leading consultancy, to embed inclusive leadership.

In reviewing its own performance, the Board seeks to maintain the right skills and expertise to lead the organisation. In February 2022 we welcomed two new Board members to strengthen the diversity of our Board and bring new insights and experience to our strategic decision-making. Diversity remains a key focus in recruiting new members of the Housing Solutions Board.

> We're committed to doing everything we can to minimise the impact we have on the environment, in delivering social value and supporting our local communities.

Health & Safety

The Board and the Audit & Risk Committee receive detailed reports on health & safety compliance at every meeting. In addition, the Association also holds ISO45001 for Health & Safety Management.

Sustainability

We're committed to doing everything we can to minimise the impact we have on the environment, in delivering social value and supporting our local communities.

The Board approved a new Sustainability Strategy in March 2023, defining our approach to sustainability for the next three years and focussing on positive outcomes for residents, colleagues, partners and the wider community.

In July 2022 we also undertook a Materiality Assessment Survey to support development of the Strategy, helping us to define the social, environmental and governance issues that matter most to the organisation and our stakeholders. We also commissioned a SHIFT environmental assessment in September 2022 to help quantify our environmental impact in relation to our existing homes, new homes, our business premises and our supply chain. This first assessment led to Housing Solutions achieving the SHIFT Silver standard, providing a positive foundation for us to build our performance in this area.

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

> The process for identifying, evaluating, and managing the significant risks faced by the Group is ongoing.

The process for identifying, evaluating, and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit & Risk, Funding, Nominations and Remuneration Committees;
- clearly defined management responsibilities for the identification, evaluation, and control of significant risks;
- regular system reviews by appointed internal auditors, Beever & Struthers, and a detailed audit tracking system which is reviewed and monitored by the Audit & Risk Committee;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training, and development policies for all staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- approved Financial Regulations and Treasury Management Policy alongside a sophisticated approach to treasury management, which is subject to external review each year;
- regular reporting to the appropriate committee on key business objectives, targets, and outcomes;
- Board approved whistle-blowing and anti-theft and corruption policies;
- Board approved anti-fraud, theft, and bribery policies, addressing prevention, detection, and reporting, of financial malpractice;
- regular monitoring of loan covenants and requirements for our loan facilities;
- annual review of compliance with NHF Code of Governance and at least 3 yearly reviews of policies and procedures.

A fraud and bribery register is maintained and is reviewed annually by the Audit & Risk Committee. During the year there were no reports of actual or suspected frauds.

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.

The Board receives regular reports and meeting minutes from the Audit Committee. The Audit & Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor, and has reported its findings to the Board.

Going concern

The Board has considered the effects of the increased economic pressures as a result of higher inflationary pressures, increased interest rates and a rent increase that is lower than inflation, and is confident the Group can withstand significant economic volatility.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Housing Solutions staff enjoying our summer Thank You event

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

Statement of the responsibilities of the board of management for the report and financial statements

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

Co-operative and Community Benefit Societies legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Societies legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Association at the end of the year and of the surplus or deficit of the Association and Group for that period.

In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including the Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Housing Providers Update 2018.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's website.

Office staff taking part in an estate project

Our finances

The Group owned or managed 6,389 housing properties, and invested a total of £11.2m in repairing, maintaining and improving our homes as at 31 March 2023.

Accounting policies

The Group's principal accounting policies are set out on pages 74 to 81 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of costs; housing property depreciation; and the treatment of shared ownership properties.

The Group has prepared the accounts in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2022.

Pensions

Prior to its closure to new members, the Executive directors were entitled to join the Royal County of Berkshire Pension Fund, a defined benefit (Career Average) pension scheme. They participated in the scheme on the same terms as all other eligible staff and the Association contributes to the scheme on behalf of its employees. With effect from 31 March 2020 the Royal County of Berkshire Pension Fund scheme was closed to all employees and all employees have access to a defined contribution Personal Pension Plan. The Executive directors may participate in this scheme on the same terms as all other eligible staff and Housing Solutions makes contributions into the Individual Personal Pensions.

Housing properties

At 31 March 2023 the Group owned or managed 6,389 social and non-social housing properties (2022: 5,997). There were 36 completions and 52 disposals in the year, including a 40 unit market rented scheme owned as a joint venture.

Our investment in the acquisition and development of properties, totalling £69.1m, and our further investment of £3.7m in capitalised maintenance of existing properties this year, was funded through a mixture of debt finance and operating surpluses.

Cash flows

We generated £32.8m, from operating activities and our cash outflows to service our debt totalled £14.7m. The investment in new fixed assets during the year was £73.1m (including property acquisition). Cash inflows and outflows during the year are shown in the consolidated statement of cash flows (page 72).

Group debt

The Group borrowed an additional £37.7m which was used to partly fund the One Housing Group property acquisition.

During the year there was a restructuring of our debt portfolio, resulting in our bank facilities with Lloyds and Barclays being repaid. It was replaced with a private placement with the Pension Investment Corporation (PIC) and bank facilities from AIB and Danske – resulting in an additional £50m of facilities being put in place.

At the year-end Group borrowings amounted to a nominal amount of £327.8 million. Gross gearing, calculated as total loans as a percentage of the balance sheet value of completed housing property, was 64.7% at 31 March 2023 (2022: 68.5%). Cash held at 31 March 2023 was £9.4 million compared with £12.8 million at 31 March 2022.

The Group is borrowing principally from banks and through private placements, at both fixed and floating rates of interest. Interest rate fixes are in place to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep between 65% and 90% of its borrowings at fixed rates of interest and to maintain an average tenure no less than 10 years.

At the year-end, 70.4% of the Group's borrowings were at fixed and index linked rates after taking account of interest rate fixes (2022: 86.6%). The fixed rates of interest range from 3.67%, including the loan margin, to 5.57%. Our all-in weighted average cost of funds was 5.05%.

The Group's lending agreements require compliance with several covenants. The Group's position is monitored against those covenants on an on-going basis and reported to the Board at each meeting. The Group's Funding Committee regularly reviews the Group's treasury position including requirements for new loan facilities. The Group is compliant with its loan covenants at the year-end date and the Board expects to remain compliant in the foreseeable future. The Group borrows and trades only in sterling and so is not exposed to currency risk.

Maturity

	2023 (£m)	2022 (£m)
Within one year	2.5	10.4
Between one and two years	2.5	10.6
Between two and five years	104.0	32.0
After five years	218.8	237.1
	327.8	**290.1**

Annual General Meeting

The Annual General Meeting was held on 21 September 2022 at:

Le Pont De La Tour
36D Shad Thames
London
SE1 2YE

Disclosure of information to auditors

At the date of this report each of the Association's Board members, as set out on page 6, confirm the following:

- so far as each Board member is aware, there is no relevant information of which the Group's and Association's auditors are unaware; and
- the Board members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

External auditors

BDO LLP were reappointed during the year. Our contract with them expires in 2023 and in accordance with our Group Standing Orders we will be tendering for this service in 2023/24.

The report of the Board was approved by the Board on 28 September 2023 and signed on its behalf by:

Elizabeth J. Pa

Elizabeth J Padmore – Chairman

Housing Solutions staff and resident litter picking at Seabrook Court


Clare

Our financial & operating review

Our financial performance

The Group's five-year Statement of Comprehensive Income and Statement of Financial Position are summarised on page 27 and the following paragraphs highlight key features of the Group's financial position up to, and including, 31 March 2023.

Liquidity and borrowing

The Group's forward business plan, which includes the updated Development Strategy, has been robustly stress tested based on the key strategic risks reported to Board.

We continue to report a strong Statement of Financial Position with net assets exceeding £120m. As at 31 March 2023, fixed assets totalled £520m (2022: £456m), an increase of £63m on the previous year, reflecting our ongoing investment in both new and existing homes.

Housing Solutions remains in a strong financial position with net debt of £318m and available cash and committed liquidity facilities of £404m at the end of March 2023 (2022: £370m). During 2022/23 a restructure of our debt portfolio resulted in £90m of existing bank loan facilities being repaid, new bank loan facilities of £100m being arranged, and £40m new capital market loans being arranged and drawn. The restructure achieved loan covenants more in line with our long-term objectives, increased weighted average life of our facilities, and increased committed liquidity being available.

For every £1 we spend

	2022/23 (pence)	2021/22 (pence)	2020/21 (pence)
New homes	64	37	41
Interest	12	23	23
Management and other expenses	9	15	14
Planned maintenance	5	8	7
Routine maintenance	4	7	5
Estates	3	5	4
IT	1	1	1
Purchase of other assets	1	3	1
Other expenses	1	1	4

Group highlights, five year summary

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Group Statement of Comprehensive Income					
Total turnover – SOCI	53,689	49,899	48,875	46,123	45,804
Turnover excluding sales – Note 3	48,033	45,148	43,361	41,273	39,463
EBITDA (excluding sales)	23,961	24,300	25,282	21,330	21,307
Operating surplus – SOCI	19,189	20,109	20,950	17,617	19,578
Group Statement of Financial Position					
Housing and investment properties (at cost and valuation)	511,480	444,226	436,399	429,465	529,530
Other FA and intangible fixed assets	8,926	9,991	10,341	10,166	10,651
Tangible and intangible fixed assets	520,406	454,217	446,740	439,631	540,181
Long term investments – SOFP	–	2,509	2,514	2,519	2,427
Net current assets – SOFP	(989)	(401)	11,219	12,120	15,883
Total assets less current liabilities – SOFP	**519,417**	**456,325**	**460,473**	**454,270**	**558,491**
Loans (due over one year) – SOFP	(325,323)	(279,773)	(290,084)	(295,514)	(283,239)
Capitalised loan costs	(1,633)	(2,572)	(3,080)	–	–
Deferred capital grant	(64,836)	(53,590)	(54,434)	(54,082)	–
Pensions Liability – SOFP	(7,106)	(21,837)	(26,315)	(18,168)	(20,093)
Net assets – SOFP	120,519	96,553	86,560	86,506	255,159
Reserves					
Revenue Reserve – SOFP	120,519	96,553	86,560	86,506	133,239
Revaluation Reserve – SOFP	–	–	–	–	121,920
Total	120,519	96,553	86,560	86,506	255,159
Housing properties owned at year end					
Social Housing – Note 4	6,389	5,910	5,844	5,806	5,625
Non-social Housing	47	87	87	88	80
Total	**6,436**	**5,997**	**5,931**	**5,894**	**5,705**
Statistics:					
EBITDA as % of turnover – excluding property sales	49.88%	53.82%	58.31%	51.68%	53.99%
Operating surplus as % of turnover	35.7%	40.3%	42.9%	38.2%	42.7%
Rent arrears (gross arrears as % of rent and service charges receivable)*	2.46%	2.25%	2.73%	2.88%	2.39%
Liquidity (current assets divided by current liabilities)	0.9	1.0	1.4	1.7	1.8
Gearing	64.7%	61.1%	66.8%	68.6%	60.0%

*Excludes rent receivable from care homes and leaseholders as these are paid in advance.

Asset management

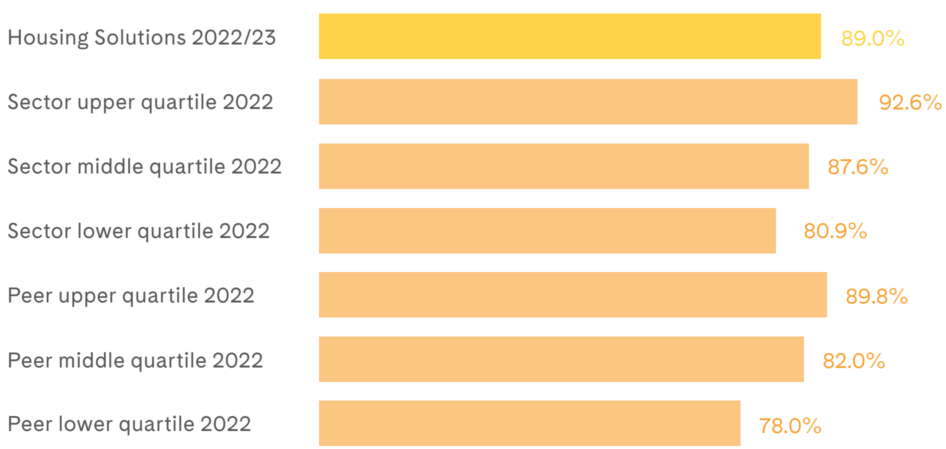
We are committed to making ongoing investment in our communities and during 2022/23 we invested £3.7m into our capital works programme. This included updating fire doors and replacing domestic boilers to keep residents safe and warm in their homes.

We also delivered on phase 1 of our Strategic Asset Performance (ASAP) software which, when fully delivered in 2023/24, will support us to appraise the financial performance of our properties and ensure we're meeting the strategic performance of our stock. This includes ensuring our properties are in the right location, meet the archetype for local housing needs, are energy efficient and easy to maintain for future generations.

Keeping residents satisfied

The operating environment during 2022/23 was defined by spiralling inflation and supply chain issues as a result of geopolitical conflicts and the residual effect of the pandemic. This had a profound impact on both our material suppliers and contractors who at times struggled with gaps in their inventory and resourcing their services. Despite these challenges we continued to focus on our key objective; to keep residents and our people safe at home and work.

Repair satisfaction



89%
resident satisfaction with most recent repair (89.8% 2021/22)

100%
decent homes (100% 2021/22)

2,979
stock condition surveys completed (1,088 2021/22)

We were able to maintain a high-quality service using our in-house trades team with independent transactional surveys showing 89% resident satisfaction with repairs. Our commitment to caring for our employees has enabled us to keep staff turnover low and made us an attractive option for skilled trades people in the job market or for sole traders/small business owners looking to shelter from economic storms.

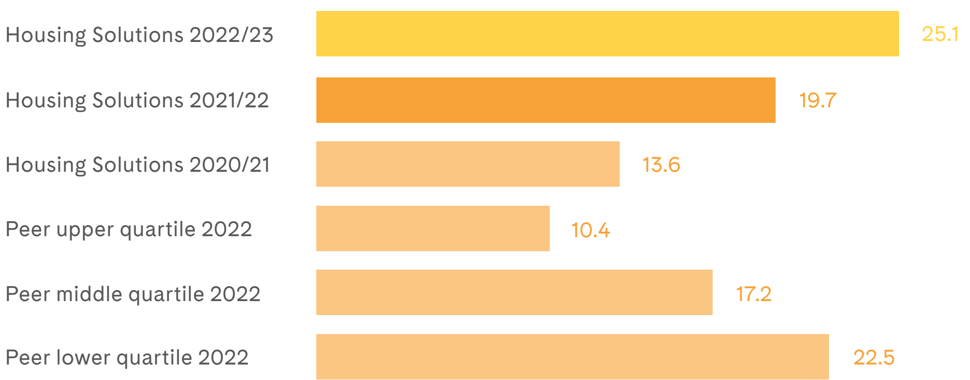
The wellbeing of residents and employees remains our key focus

We offer an industry leading 4 hour emergency response time and attended 88% of emergency appointments within this target. We also completed 91% of routine repairs within target. In the coming financial year, we will be working to reduce our responsive repairs target completion to 21 days using a combination of contractors and increasing the number of in-house trades operatives.

We have always taken any reports of damp and mould seriously and had the mechanisms and procedures in place for monitoring and addressing any cases in residents' homes. During the autumn of 2022, we made further improvements in how we handle damp and mould cases. This included simplifying our reporting process and employing additional resources into the team, including a damp and mould case administrator along with a damp and mould Surveyor. We also ring-fenced budget to invest in improved equipment such as hygrometers to measure temperature and humidity allowing us to understand what is happening within any property that reported damp and mould on a day-to-day basis. We also continued to offer ongoing practical advice in the form of improved online information alongside our more traditional hard copy information.

We build and maintain homes that are sustainable and have a positive impact on our environment. The decisions we are making today are shaping the future, creating the communities where residents are proud to live.

Average days to complete a repair



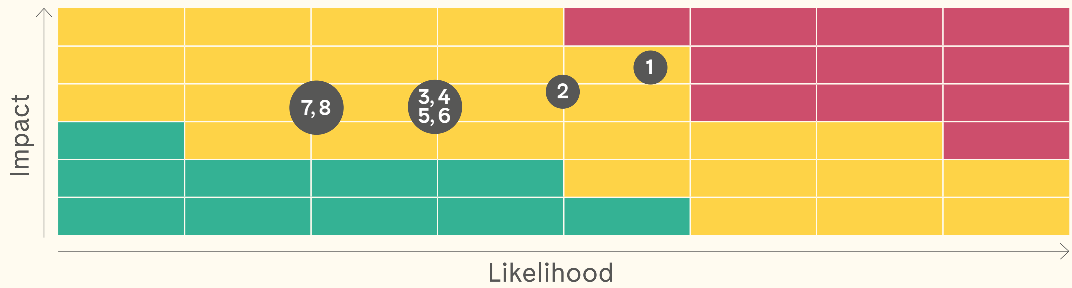
Our risks

The Board considers that the risks detailed below are the principal risks facing Housing Solutions and are the risks that could affect the ability of the organisation to deliver its corporate objectives. The Board confirms that the principal risks of the organisation, including those which would threaten future performance, have been robustly assessed throughout the year ended 31 March 2023, and that processes are in place to continue this assessment.

The principal and emerging risks and uncertainties relating to the organisation are reviewed by the Board and the Audit & Risk Committee at each meeting, along with the internal controls and risk management processes that are used to mitigate these risks. Risks are recorded, assessed, and tracked in terms of their impact, likelihood, and mitigations.

The principal risks and management of those risks are described below:

Major risks



	Risk	Challenges	How it's managed and mitigated
1	Material loss of income due to failure of care providers	• Continued financial pressures on care home sector • Economic uncertainty, interest rate volatility and cost inflation	• Significant joint collaboration with Buckinghamshire Council to safeguard the care service
2	Interest rate volatility	• Economic turmoil and uncertain economic outlook • High inflation • Ukraine war	• Treasury Management Policy reviewed and implemented • Maintaining fixed rate loans • Regular review of business model assumptions • Control of operating costs
3	Material fall in operating performance	• Labour and material shortages • Cost inflation and material costs increases • Procurement delays and high demand for specialist service contractors • Repairs backlog due to residual impact of pandemic	• Supply chain monitoring & management • Detailed repairs profiling & budget management • Regular communications to residents, staff, and stakeholders • Regular performance & budget monitoring • Additional staff recruited & contractor resourcing together with coordinated scheduling

	Risk	Challenges	How it's managed and mitigated
4	Not achieving rental income	• Changes to government rent settlement • Major changes in economic conditions and economic uncertainty • Sustained rising cost of living • Increased voids	• Regular, ongoing stress-testing of the Business Plan & monitoring of operating costs • Specialist income and welfare benefit teams with focus on income collection, arrears recovery and benefit maximisation • Proactive engagement with residents & resident support package including collaboration with partner organisations
5	Property conditions	• Damp and mould • Impact of rent cap on financial capacity for property investment • Increased property damage due to extreme weather conditions	• Dedicated damp and mould team and contractor resources • Rolling 3-year stock condition surveys • Detailed repairs profiling and budget management • Regular Business Plan stress testing
6	Duty of care to residents, staff, and the public in the operation of our business	• Building safety • H&S Compliance • Residual impact of pandemic on health	• Comprehensive safety management system covering safety procedures/risk assessments • Programme of quality assurance checks across key compliance areas • Tailored annual health and safety training for all staff • Qualified external specialist advisors on all health and safety and fire matters • Regular oversight at Health & Safety Panel meetings • Regular oversight at Executive and Board level • ISO 45001 H&S Management Accreditation • Health and well-being programme including mental health awareness training and mental health first aiders
7	IT systems failure	• Cyberattack, malware, or virus • Major failure of hosted servers • Software interface failure • Lack of continuity planning	• Full simulated cyberattack conducted and annual penetration test undertaken • Cyber Essentials & Cyber Essentials Plus Certification • Processes & systems in place to protect systems in the event of virus or cyberattack • Business continuity and disaster recovery plan in place and tested • Third party assurance on capacity to manage incidents and support in place, including regular back-up & restore
8	Data management & control	• Overreliance on spreadsheets, disconnected systems, and poor system interfaces • Issues of inefficiency and accuracy • Dated & unsupported asset management systems • Data security/GDPR breaches	• Regular data reconciliation, audit, and validation • Processes and monitoring in place for data protection management, including regular mandatory training • Automating of processes and reducing reliance on spreadsheets • Implementation of new integrated asset management system

Resident engagement

As a community based landlord, our first priorities are people and communities. We offer residents a range of ways to help shape and improve our services and hold us to account.

We've taken significant steps this year to widen the membership of our groups of involved residents.

We worked with over 200 residents through our formal engagement panels, ad hoc workshops and information sessions, giving residents more opportunities to input into decisions that affect their homes and local areas.

Our growing Scrutiny and Improvement panel were kept busy, meeting 11 times throughout the year to review our:

- Voids process
- New digital & data strategy
- Streamlined Complaints policy (providing resident representation at final stage complaint panels)
- Alterations policy
- Changes to repair responsibilities
- New Damp & Mould policy
- Residents Support Fund and wider cost of living initiatives to help residents
- Plans for the acquisition of additional homes to extend our services to more residents
- Our internal audit arrangements for the year
- The Regulator of Social Housing's new Tenant Satisfaction Measures (TSMs)
- Our general practices against our peers

Our new E-panel work with us purely online, when and where convenient to them. This year the panel road-tested our new resident app, suggested improvements to our rent and service charge communications and inputted into our pioneering resident safety campaign 'Safe in Your Place'.

In response to resident comments, we introduced different technology platforms including WhatsApp and email, which meant that more residents could easily offer feedback.

65,248

resident contacts handled by our Contact Centre

2.71%

gross rent arrears
(2.25% 2021/22)
*includes OHG acquired properties

OVER £9.6m

of social value created
for local communities
(£4.15m 2021/22)

79.9%

of calls dealt with at
first point of contact
(79.2% 2021/22)

Housing Solutions staff out on our annual Getting To Know You day

We continued to receive excellent support over the year from our Community Living Panel, working on behalf of residents in our sheltered and supported accommodation. The Panel looked specifically at the accessibility of our digital communications, including our new digital notice boards installed across 11 of our schemes, helping us to keep in daily, direct contact with residents. The Panel helped us pilot a digital 'OK each day' welfare check-in with residents and collaborated in our interview process for new anti-social behaviour officers.

Our Homeowner Panel, representing our shared owner and leasehold residents, were instrumental in the launch of our first successful Homeowner Conference. They also reviewed our Section 20 policy as well as our communications with leaseholders.

We widened our engagement offer with the launch of our new Estate Services Panel, who will play an important role helping us to maintain our estates and local areas. The Panel's first project was focused on bin use and fly-tipping, and will continue into 2023/24.

We ran a full programme of informal engagement events which included monthly coffee mornings, family fun days, wellbeing fayres, meet and greet roadshows, 'Stay and Play' schemes to combat loneliness, and healthy, low cost soup making sessions in collaboration with our NHS partners. We were also delighted to be able to facilitate work experience placements across different departments as part of the Duke of Edinburgh scheme.

We remain proud members of the Tenant Panel Advisory Service (TPAS). In March 2023 our frontline housing colleagues attended TPAS training to support residents in forming recognised resident associations, delivering their own community-led initiatives.

Complaints and learning from complaints

Feedback from residents continues to play a fundamental role in helping us understand what has worked well and allows us to put things right when things go wrong. But, more importantly, it enables us to shape and improve our services.

There were 187 formal complaints dealt with through our complaints process in 2022/23, 82% of which were resolved at Stage 1 of the process, a lower proportion than in 2021/22 (86%). Of the 34 complaints which progressed to Stage 2, 88% (30) were resolved at that stage.

During quarters 3 and 4 and, following changes to the Housing Ombudsman Complaint-Handling Code, no informal complaints have been logged, with all resident dissatisfaction progressing through our formal complaint process. We have therefore expected more complaints to be received at the formal Stage 1 process.

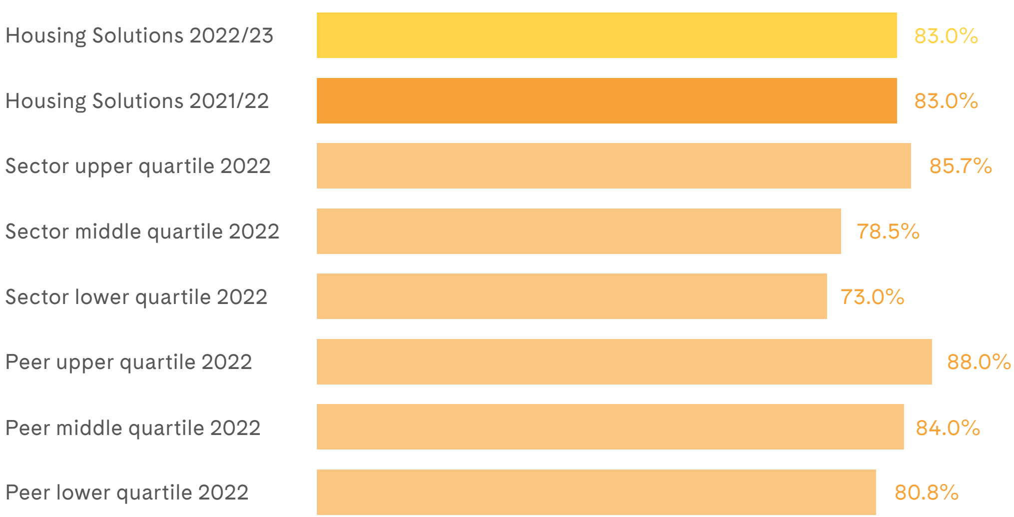
The main drivers of complaints continued to be around communication, information and feedback to residents, getting it right first time, improving our timescales with outstanding repairs and the quick resolution of anti-social behaviour issues.

A key learning has been that one main point of contact (ownership) is preferable, as well as the need to maintain regular contact with residents and reduce our repair times following the pandemic. In response to this feedback, we have worked more collaboratively as an organisation and with other partners, procuring an overflow contractor to reduce our repairs backlog, and making sure we monitor progress and maintain regular contact with residents throughout our complaint process. We have also made a major investment in enhanced IT systems to improve repair reporting tools, with better visibility to assist with the early identification of potential problems in repairs and maintenance.

We have had invaluable feedback to improve our handling of anti-social behaviour as well as the upkeep of communal areas, changing our approach to vehicle parking and residents' parking permits as a result.

We continue to review our complaints services to ensure ongoing compliance with the Housing Ombudsman Complaints-Handling Code as part of our annual self-assessment. We know we need to improve our response times through the process to improve satisfaction with our complaint-handling. We have also broadened the ways we survey residents on our services to include text message and telephone surveys.

Satisfaction with complaint handling



Finally, we have invested more resource to strengthen our complaints service, creating a dedicated team to drive excellence in complaint outcomes and ensure that lessons are learned across all areas to improve wider satisfaction with our services.

A key focus for 2023/24 will be on developing new Service Standards for residents, in collaboration with residents, to set out our service offer and response times clearly and support residents to meet expectations under their tenancy.

The total additional income generated by the team for residents in need was £284,656, £112,656 more than the previous year.

Resident support

As a local housing association, we are much more than just a landlord. We are part of our local community, dedicated to supporting our residents as well as providing more homes locally.

The ongoing cost of living crisis has again brought into focus how challenging life is for people on low incomes, especially more vulnerable residents. Our specialist Welfare and Benefits Team continue to offer essential support and advice to residents in money matters and benefits entitlement.

Over 2022/23 our team supported a total of 1,231 residents. Their support unlocked over £27,000 in Discretionary Housing Payments for residents and another £23,000 in payments from the Homeless Prevention Fund. Crucially, this support helped a number of residents maintain their homes and tenancies.

Ongoing high inflation and cost of living challenges put continued pressure on residents' budgets across all tenures. Our team ran a targeted pilot programme for residents on low incomes not already receiving benefit support, and made successful applications for Pension Credit and Universal Credit, enabling a number of residents to increase their income. We are now rolling out this programme to more households across our communities.

We have enjoyed a long history of partnership working with the Royal Borough of Windsor and Maidenhead (RBWM). We were delighted to be granted partnership status in November 2022 to be able to assist residents apply for the Household Support Fund. This resulted in 350 successful grant applications to help with rising household costs, food and fuel packages. Our team also referred over 118 residents to local food banks to gain additional support.

We know that the increase in food, fuel and living costs will continue to challenge many households. We expect 2023/24 to be another challenging year; we will continue to work hard supporting residents, exploring all opportunities to deliver positive outcomes and find new ways to offer support.

£27,000
support unlocked in Discretionary Housing Payments for residents

1,231
residents assisted (2021/22 1,044)

Tenancy sustainment and social value

We have always been much more than a landlord. As a social housing provider, our core purpose is to provide affordable homes for people who need them most as well as ensuring residents are supported with their economic resilience, to improve their wellbeing, life chances and opportunities.

> During 2022/23 these activities delivered a total net value of over £9.6m, up from the £4.1m social value created by our activities last year.

We continue to measure the social value and impact of our activities using the HACT Social Value Bank, a means of attributing a ready and realistic monetary value to the added value and community-based work we do. During 2022/23 these activities delivered a total net value of over £9.6m, up from the £4.1m social value created by our activities last year.

This significant increase was due to work undertaken to formally engage with more involved residents over the year. We employed more Housing Officers to bolster the support we can offer across our neighbourhoods and also provided more Wi-Fi access into residents' homes. We supported residents through financial hardship via targeted financial inclusion initiatives. We have also provided help and funding to projects and initiatives that further enhance our communities.

What we did	Housing Solutions investment (£)		The net social impact benefit (£)		Ratio (£1 : £x)	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Provision of free Wi-Fi	£93,893	£141,294	£1,893,797	£1,974,471	£1 : £20.17	£1 : £13.97
Resident engagement	£67,525	£60,000	£1,765,876	£1,894,773	£1 : £26.15	£1 : £31.58
Financial inclusion & employment support	£117,558	£206,739	£511,463	£5,778,634	£ 1 : £4.35	£1 : £27.95
Total	**£278,976**	**£408,033**	**£4,171,136**	**£9,647,878**	**£1 : £14.95**	**£1 : £23.64**

Housing Solutions resident and the Estates Team planting out some summer bedding

Keeping residents safe

Alongside providing high quality services, Health and Safety is one of our key strategic priorities and remains a fundamental element of our operational delivery, processes and decisions.

To keep our customers safe, we reduced our EICR (electrical installation check) programme from every 10 years to every 5 years and fire risk assessments (FRAs) from 3 years to annual checks. During the year, to drive further improvements across our properties, we invested heavily in a replacement fire door programme across a number of our schemes. We have also employed a Fire Door Inspector to enhance the safety of residential properties.

100%

of properties have a current gas certificate (100% 2021/22)

£11.2m

investment in repairing, maintaining, and improving our homes (£9.5m 2020/21)

The profile of our stock doesn't include any high-rise buildings with cladding that will need replacing.

We have completed a full internal review of the “Big 6”; fire, asbestos, water hygiene, electric, gas, and lifts to ensure they are well prepared for

the planned system changeover to our new asset management software, Connect, during 2023/24.

We carry out yearly fire risk assessments to our stock, allowing a regular review of actions required through our fire advisors, Savills.

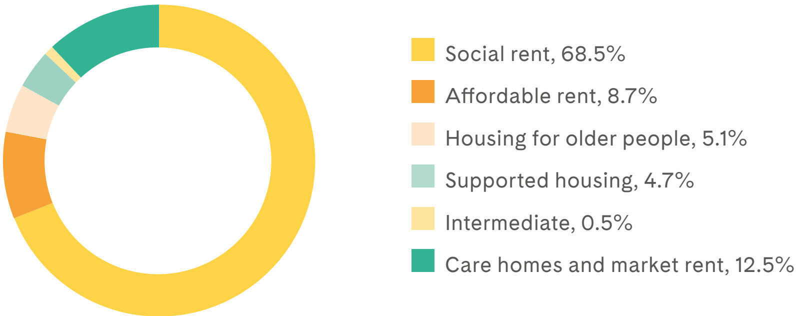
The team focussed on the delivery of fire risk actions, with over 2,076 completed in the year; the remaining actions are planned for delivery throughout 2023/24.

A long-term resident receiving a gift from our Chief Executive, Orla Gallagher

Our homes

Of our housing portfolio, 81.9% is dedicated to social, affordable and supported rented accommodation.

Our existing homes



Our Chief Executive Orla Gallagher meeting a resident during our annual Getting to Know You day

Our development programme

Our mission remains to provide homes for those who need them the most and during 2022/23 we invested £69.2 million in acquiring properties from One Housing Group and developing new homes.

We have sought to grow the number and range of homes we can offer current and future residents, so this investment has secured the delivery of 36 new homes. We have worked in close partnership with local authorities and SMEs across our operating area to help meet the needs of key groups within the community.

In addition to the 36 new homes built, with many years of successful partnership working with One Housing Group (OHG), where we have been providing a repairs and maintenance service to their local properties, in March 2023, we acquired 455 social housing properties, together with a number of leasehold and non-housing assets from OHG. These properties span across four local authority areas: Wokingham, Reading, Oxfordshire and Buckinghamshire.

Residents of these properties now have access to our holistic range of local and community-based services, alongside our sector-leading digital platform. The acquisition strengthens our ability to create communities in which people can build happy, fulfilling lives, while feeling safe and secure in their homes.

Investment in new homes

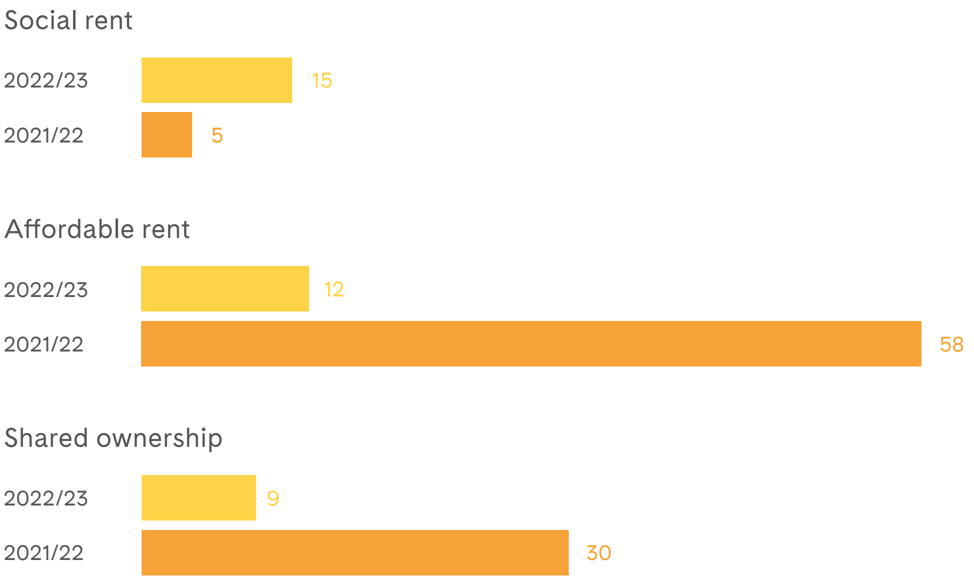
We were able to handover 13 homes for affordable rent and shared ownership at our Haddenham development with Dandara New Homes and 15 social rented homes on one of our regeneration sites in Maidenhead. Our commitment to resident wellbeing not only defines the way we build homes but also how we support and deliver positive social impact for residents, so we were also pleased through our partnership working with Bracknell Forest Council, to deliver four much needed homes to support Rough Sleeper accommodation.

£69.2m

invested in 2022/23 acquiring properties from One Housing Group and developing new homes

The breakdown of the 36 new homes completed during the year is as follows:

New homes by type



We have identified opportunities and progressed to planning submission stage several of our land assets to bring forward these for development in 2023/24. These will enable us to deliver new family homes which achieve high levels of energy efficiency and environmental standards. We operate in some of the most expensive parts of the country and the affordability issue in our operating area is well known. We have actively sought opportunities to partner with local authorities to review options for their land asset portfolio with a view to delivering a significant number of housing led schemes. We have also explored new land-led opportunities across our portfolio to ensure effective and efficient use of our land to maximise the delivery of affordable homes.

Whatever the number of homes we own or build, what matters to us most are the people that live in them, so we've also been working collaboratively with our partners to design adapted homes which meet the needs of families with specific needs.

We have undertaken a detailed review of our design standards. For future development we are not only considering the homes that people live in, but the neighbourhoods that surround them – how they feel about where they live, and what is most important to them. We will continue working closely with our engaged residents to help design the specification for new homes of the future, including the vision for low and net zero carbon homes.

Sustainability

We are committed to doing everything we can to minimise the impact we have on the environment, to deliver social value and support our local communities.

As part of our commitment the Board approved a new Sustainability Strategy in March 2023. The strategy sets out our approach to sustainability for the next three years, focussing on achieving positive outcomes for existing residents, as well as for colleagues, partners and the wider community.

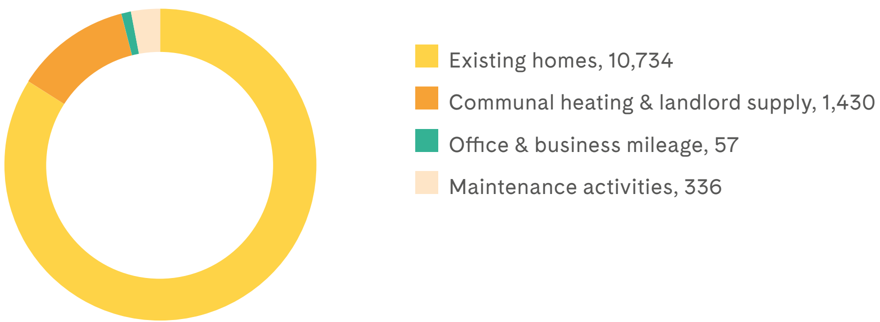
To support the development of our Sustainability Strategy, and help us to define the social, environmental and governance topics that matter most to the organisation and our stakeholders, in July 2022, we undertook a Materiality Assessment Survey.

The outcome of the survey showed us that, in general, the social theme of ESG features prominently, as being materially important, for all stakeholders. The priorities of greater focus for stakeholders were:

1. Meeting our responsibilities to protect residents and keep properties safe
2. Providing affordable homes
3. Keeping residents and our people as safe as possible from crime and harassment
4. Strong governance and financial viability
5. Recruiting and retaining high calibre people
6. Overall energy efficiency of homes

In order to understand our current environmental impact, in September 2022, we commissioned SHIFT Environment to undertake an environmental assessment, allowing us to quantify our environmental performance in relation to our existing homes, new homes, our business premises and our supply chain.

SHIFT Environment Assessment 2022 Baseline CO_2e (tonnes)



The carbon emissions performance of our existing homes, based on average SAP rating, is rated as very good, and already at the level required to achieve a SHIFT Platinum grading; 77% of our housing stock is rated at EPC level C or better.

77%
of our housing stock is rated at EPC level C or better

Platinum
carbon emissions performance of our existing homes

The SHIFT assessment provides a comparison of what 'good' looks like across the housing sector and helped us to formulate specific targets and priorities to focus on. As an outcome of our first assessment, Housing Solutions achieved the SHIFT Silver standard. This is a positive introductory score and provides us with a solid foundation on which to build.

Our focus going into 2023/24 will be on delivering against the year one targets within our new Sustainability Strategy, which cover five distinct themes:

1. Safe & affordable homes

We aim to improve the safety of our estates and new homes by supporting and working with residents. We will be a visible and active presence in our communities, providing opportunities for residents and community groups to come together.

2. Governance & workforce

Our sector landscape is changing and we are determined to continue to successfully meet these challenges, delivering on our Corporate Strategy and the expectations of residents and the Regulator of Social Housing.

3. Net zero carbon

We aim to achieve 100% of our existing homes being EPC rated D or better by 2025/26, setting us on track towards achieving EPC C or better by 2030 and net zero carbon by 2050.

4. Social commitments

Our focus is on key areas such as anti-social behaviour and digital inclusivity, which can positively improve conditions for residents, whilst also maximising our corporate social responsibility commitments.

5. Green spaces & biodiversity

Working together with residents and stakeholders, we aim to enhance biodiversity features across our green spaces such as creating community growing gardens, tree planting and introducing wildflower areas.

Housing Officers at our annual summer conference

Our people

At Housing Solutions it's people not houses that inspire us. We want all colleagues to feel happy and proud working here, so they can thrive at work, embracing their differences and celebrating what matters. It's just one of the ways we're committed to being a truly inclusive employer for everyone who works for, and with, us.

Keeping our people safe at work

Protecting the physical and mental wellbeing and safety of our people has continued to be a priority in 2022/2023. Our agile working model 'Workstyle' launched in February 2022 has been successful in empowering colleagues to achieve a positive work/life balance and enabling focus time, while delivering valued services to residents and stakeholders.

Our annual wellbeing event, Safe and Well Week, was held in February 2023. The programme of events was created to support physical and mental wellbeing and included the following highlights:

- Male health and menopause workshops – all genders encouraged and welcomed
- Healthy soup making (and eating!)
- Onsite health screening (with our largest take up yet)
- Daily lunchtime walk across Maidenhead
- Evening quiz event

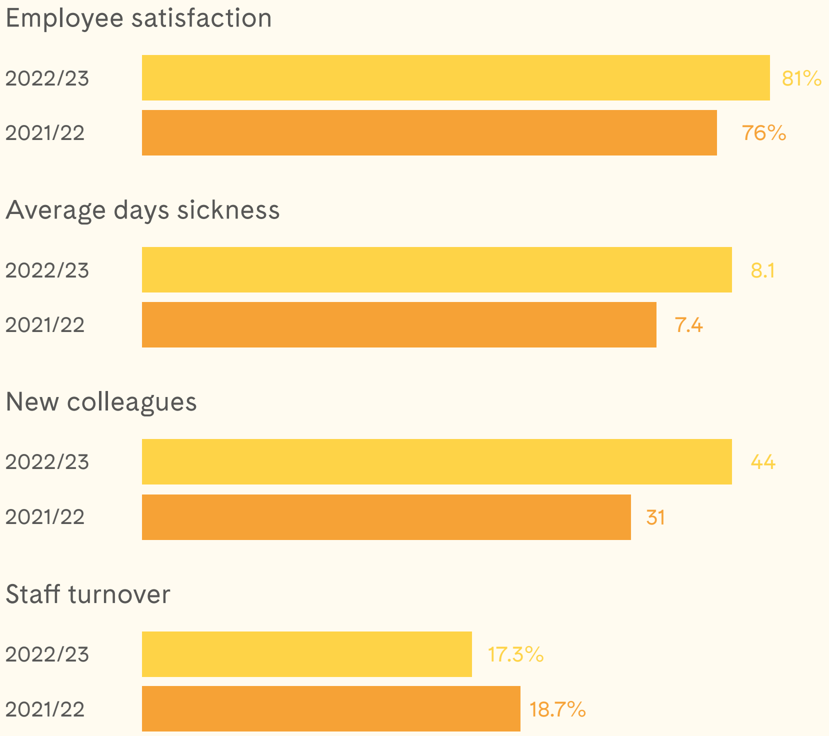
We were pleased that our colleague Pulse survey, launched in Spring 2023, saw a positive increase in various areas of satisfaction. 98% of colleagues felt that Housing Solutions is a safe place to work with 97% of colleagues reporting that we take H&S seriously. We also rolled out new lone working devices to all solo estate workers enabling access to state-of-the-art technology that will provide assurance and contact 24/7.

Keeping our people satisfied

2022/2023 was an exciting and collaborative year for our colleagues and we are delighted to see the percentage of colleagues happy working for Housing Solutions increase to 81%.

One of our most innovative projects was the co-creation of a new tenet 'Spirit of Housing Solutions' which captured the guiding principles of our commitment to working well together. To support these principles, including 'recognising good efforts in each other', 'strengthening connections', 'supporting each other' and 'growing our own', we launched a comprehensive learning and development programme, which included a successful job shadowing scheme. We are proud to be 'growing our own' through internal progression and helping colleagues reach their full potential. We are delighted to have supported 18 colleagues who have moved into new roles internally.

Staff retention and attraction



> We are delighted to see the percentage of colleagues happy working for Housing Solutions increase to 81%.

We could not do what we do without the dedication and expertise of our colleagues, so supporting colleagues to manage the personal impact of the cost-of-living challenges was a key priority over the year. We analysed our workforce to identify staff at higher risk of 'in work poverty' and challenged ourselves to create a safe environment to be open about financial challenges.

We identified that the uptake of our comprehensive benefit package was low and had the potential to be improved to make it more practical and appealing. We re-launched the package to our colleagues and actively promoted our new benefit, BenefitHub, providing access to discounts for every day shopping as well as 'treat' purchases. One example of the positive cost benefit is that colleagues can save around £200 a year on their supermarket shopping. Continuing our commitment to fair pay for all colleagues, we ended the year aligning all colleague salaries to the Real Living Wage as a minimum.

In March the Board approved our new People Strategy, with the mission to 'attract, develop and retain the best talent to deliver our services both now and in the future'. Retention of our valued colleagues is a top priority and over 2023/2024 we look forward to jointly reinventing our performance management system, launching our exciting 'Creating Your Space' summer working hours, whilst working hard to enable an equal, diverse and inclusive culture built on our core values.

Creating a sense of belonging

We're a Disability Confident (Level 1) accredited employer, a scheme that encourages employers to think differently about disability and take action in how they recruit, retain and develop talent. We're now working to achieve level 2 accreditation under the scheme to ensure that we are creating an environment where every disabled person has the opportunity to succeed at work.

Training is an important strand in maintaining our strong, diverse culture and all colleagues receive mandatory Equality, Diversity & Inclusion training as part of our core training programme. In 2022 this was supplemented by a bespoke programme for all staff delivered by our in-house Learning & Development team looking at unconscious bias. All senior managers also attended a Conscious Inclusion workshop facilitated by a sector leading consultancy.

Our staff-led Inclusion champions group supported various events over the year to celebrate diversity in all its forms, including a national carers event in June, inviting in external organisations to present during Stress Awareness Week and facilitating open dialogue during National Suicide Prevention Day.

We know we have more to do to in our journey to becoming a truly inclusive employer. Over 2023/24 we'll be focusing on understanding more about our staff and residents to deliver effective services tailored to people in the ways they need, where the quality and completeness of our data will play a key part. We'll also be launching a new approach to Equality Impact Assessments supported by our Inclusion group, with training across the organisation to help us to assess key decisions we make and the services we offer.

Technological solutions

Driven by our corporate objectives, our new Digital & Data Strategy focuses on the goal of ensuring that 'Housing is more than just a roof and four walls'. Supporting residents onto digital platforms is key to meeting changing needs as well as looking at more agile, flexible working for colleagues. We have designed our processes and introduced new digital systems to improve efficiency and do more for less.

We aspire to be the leading housing association in the use of technology and our tiered approach aims to use digital in the majority of communications – either to provide residents with self-service options or provide our specialist teams the information they need to deliver high-quality services for residents. We have worked hard to make things easy and accessible for residents to allow them to comfortably interact with us digitally. However, we have also continued to ensure positive digital inclusion, through the roll out of community Wi-Fi in our properties, as well as offering training opportunities for residents on digital devices. With sustainability at the core of our digital offering, rather than sending our older laptops to landfill we have donated them to residents to enable them to access online services.

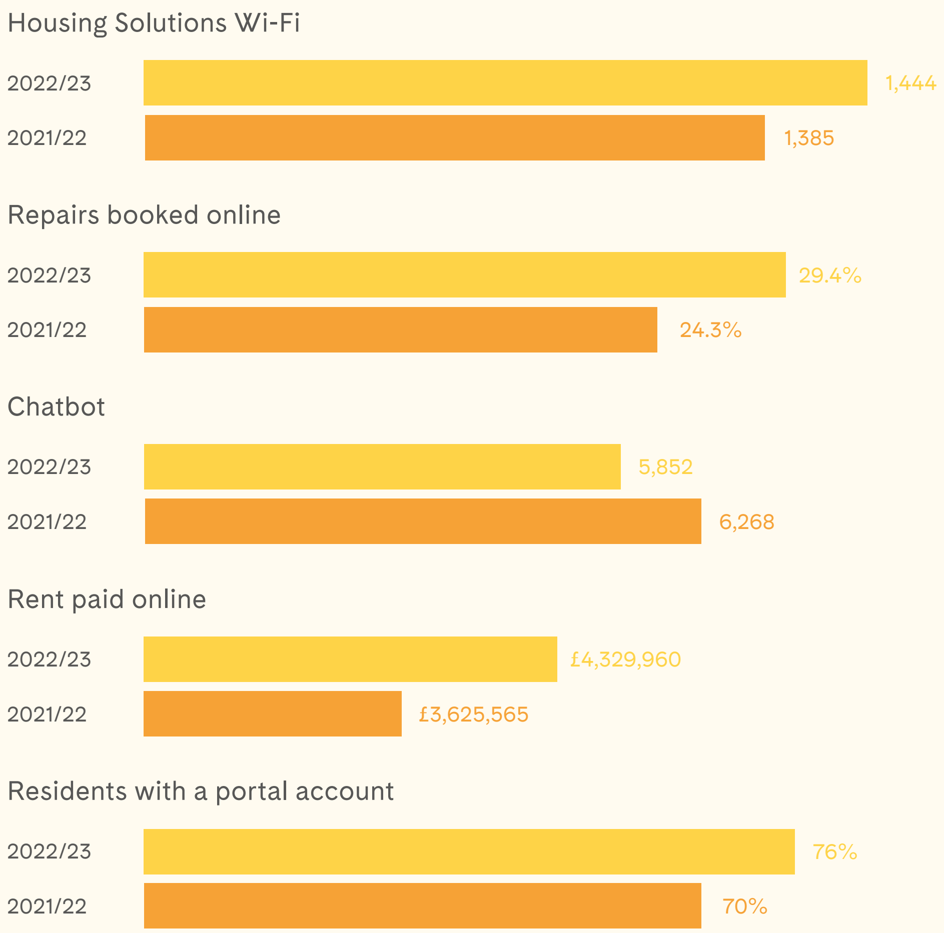
We enabled more residents to have access to our services at their fingertips by launching the Housing Solutions app in October 2022, with 28.7% of all residents downloading the app by the end of the 2022/23. Our resident portal (My Housing Solutions) also continues to provide easy access to online services, including booking repairs, changing appointments and managing tenancy information. Our digital-first approach has freed up our colleagues for more complex work, enabling further personal contact with residents, many of whom are vulnerable, where it's needed.

We have also made improvements to our webchat and website including an innovative locator which enables residents to easily find and interact with their Housing Officer.

We were delighted to receive Board approval for the implementation of a more streamlined application to run our asset management system, Connect. This will not only reduce the number of systems used but will also provide enhanced features for our staff and residents.

As a data-driven organisation, data is our primary asset, and our technical architecture is modelled around the accurate collection, security and processing of information. Our investment in staff and IT systems has continued to enhance our operational and service provisions. Looking ahead we will continue our work on delivering better digital platforms and other leading technologies, embedding creativity and fresh thinking into everything we do.

Digital and innovation



76%

of our residents with an online portal account (70% 2021/22)

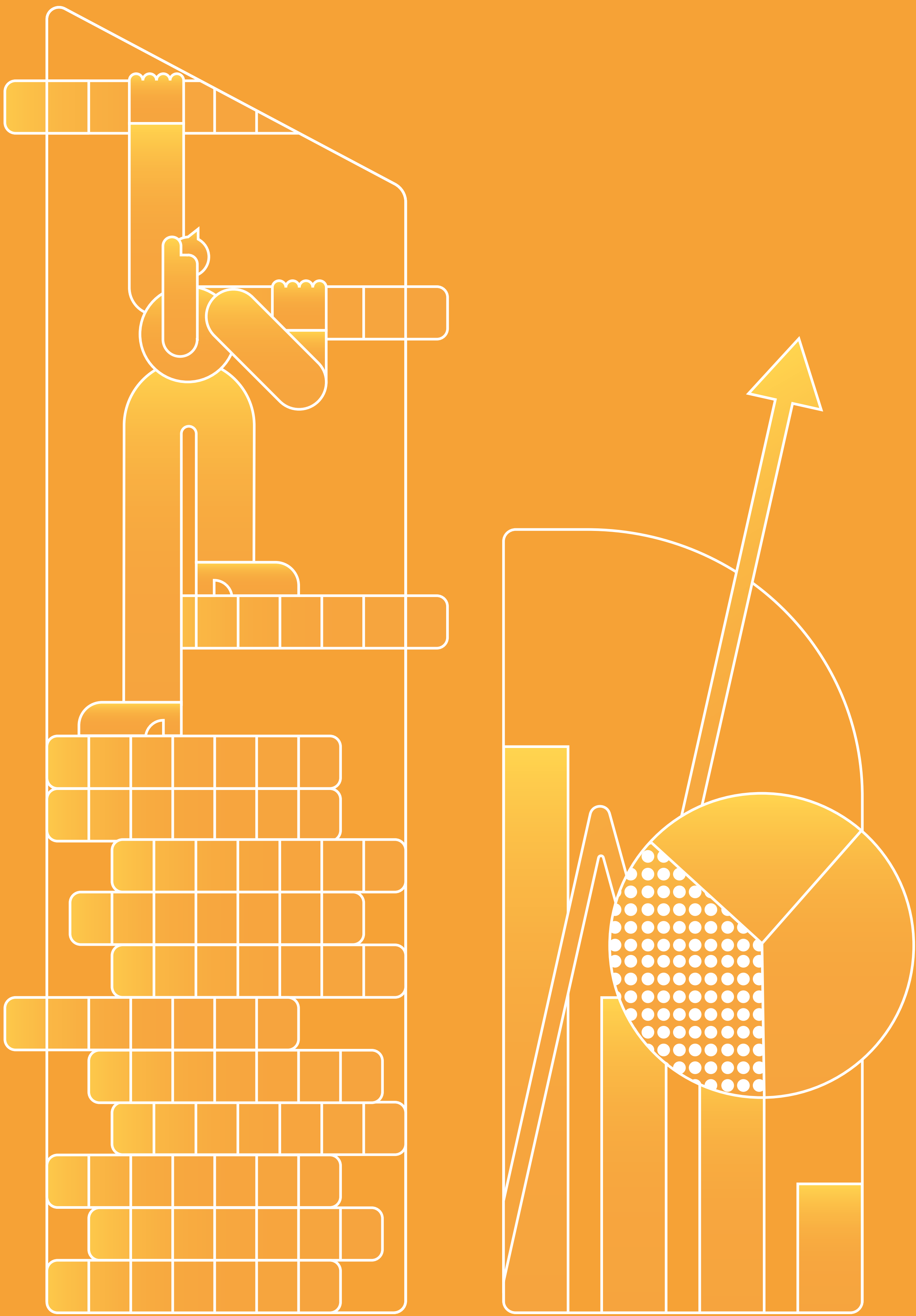
£4.3m

rent paid via online portal (£3.6m 2021/22)

1,444

homes now connected to Housing Solutions Wi-Fi (1,385 2021/22)

Our value for money metrics



Value for money metrics

We report against our own value for money targets as well as metrics set by our Regulator.

The regulatory framework published by the Regulator of Social Housing includes specific requirements for registered providers to publish evidence in the statutory accounts to enable stakeholders to understand the providers:

1. Performance against its own value for money targets and any metrics set out by the Regulator, and how that performance compares to peers.
2. Measurable plans to address any areas of underperformance, including clearly stating areas where improvements would not be appropriate and the rationale for this.

Our performance against each of the metrics and our peers is set out below:

	Regulator of Social Housing Value for Money Metrics	Housing Solutions 2021/22	Housing Solutions 2022/23	Peer Middle Quartile 2021/22	Sector Middle Quartile 2021/22
1	Reinvestment	3.73%	2.27%	5.57%	6.5%
2	New supply delivered (Social Housing Units)	1.58%	0.56%	1.36%	1.4%
3	Gearing	65.2%	64.7%	49.7%	44.1%
4	EBITDA MRI	156%	150%	131%	146%
5a	Headline social housing cost per unit (Excl. depreciation and planned maintenance)	£3,272	£3,363	–	–
5b	Headline social housing cost per unit	£4,022	£4,277	£5,033	£4,150
6a	Operating margin (SHL only)	38.6%	35.5%	25.6%	23.3%
6b	Operating margin (Overall)	37.0%	34.2%	22.8%	20.5%
7	ROCE	4.4%	3.7%	3.0%	3.2%

Metric 1
Reinvestment

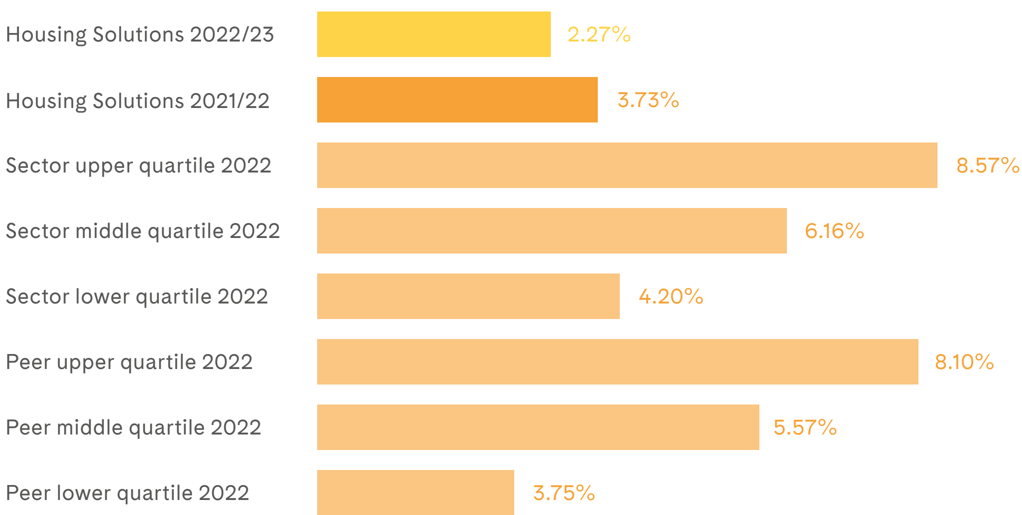
Housing Solutions invested £69m in acquiring or building new homes during 2022/23 and an additional £3.7m investment in maintaining our current homes. Included within this was the acquisition of 455 social housing units from One Housing Group.

Our reinvestment metric shows a decrease on the 2021/22 figure of 3.73% reflecting our development programme, which contributed 1.52%, and asset management investment programme contributing 0.75% during the year. This metric excludes our investment in acquiring 455 homes from One Housing Group. As well as building a further 36 new homes, we have invested in new components across our existing stock – kitchens, bathrooms, heating upgrades and fire safety measures. This investment will continue into 2023/24 as part of our approved Business Plan.

Our internal value for money target was to achieve 183 homes over 2 years (2021/22 to 2022/23) via both organic and inorganic growth. We succeeded in achieving 584 units over the 2 years significantly beating this target, mainly through the One Housing Group property acquisition.

Looking forward into 2023/24, we are anticipating a reinvestment level of 3.6% reflecting a slightly increased level of investment in building new homes and our existing homes.

Reinvestment (%)



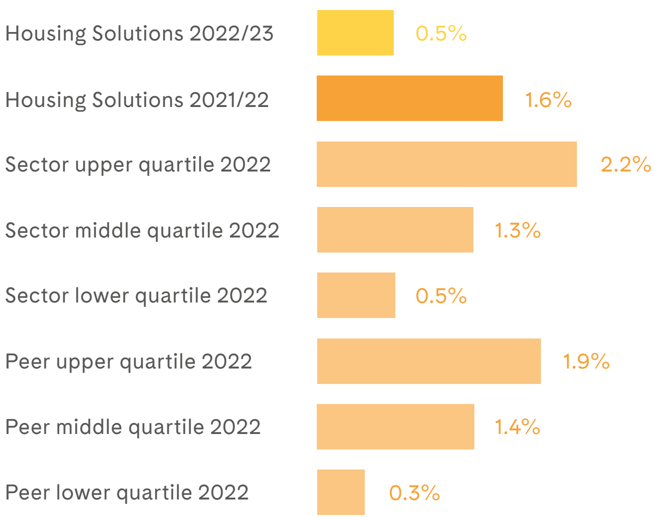
£69m acquiring or building new homes during 2022/23

£3.7m investment in maintaining our current homes

Metric 2
New supply delivered

Our internal value for money target for 2022/23 was to deliver 87 new homes and we are pleased to report that this target was significantly exceeded, with the final delivery being 491 properties. Of the 491 new homes completed, 455 were existing units acquired from One Housing Group and a further 36 newly built. 15% were for affordable rent, 71% for social rent and 14% were shared ownership. Looking forward into 2023/24, we are anticipating the completion of 23 new units of mixed tenure and investing a further £6.4m in new homes. The One Housing Group acquisition properties are excluded in this metric calculation but inclusion in this narration provides a more wholistic approach to our investment and delivery of housing.

New social housing units delivered (%)



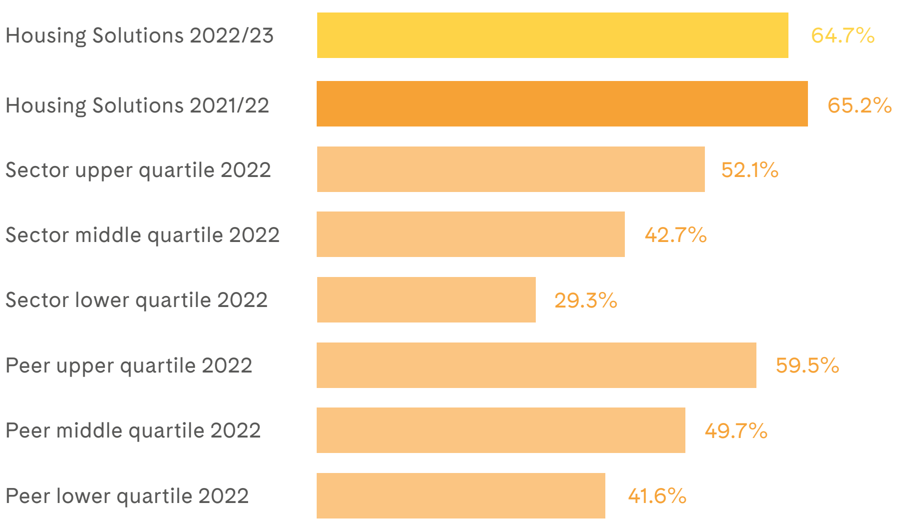
We recognise that our local areas are relatively expensive to rent and buy. We are committed to continuing to provide social rent and low-cost home ownership housing and are continuing to look at opportunities to develop, both in section 106 opportunities, as well as land-led and the land we currently own. Our Development Strategy was approved by Board in February 2022 which is focussed on:

- residents being proud of where they live
- a sustainable legacy for future generations, minimising the impact on our planet in both construction and occupation
- well-designed homes that are attractive, affordable, safe, and secure – a place to call home
- fully integrated into the communities where they are built; adding value through investment into infrastructure where possible
- homes that are fit for purpose today and into the future

Metric 3
Gearing

Whilst our gearing ratio has dropped marginally from the 2021/22 position, Housing Solutions is still relatively highly geared but well within all gearing-related loan covenants, including headroom for our development ambitions. Housing Solutions originated from a large scale voluntary transfer (LSVT) from the Royal Borough of Windsor & Maidenhead funded entirely through debt financing, as well as significant initial investment in the properties brought also, financed from debt, resulting in a relatively high gearing ratio.

Gearing (%)



During the year, excluding the restructuring of our loan portfolio, we drew down £46m on our loan facilities, and made repayments of £8.8m. As at 31 March 2023 we had £78.5m undrawn against our £404m loan facilities.

15%

of new homes completed were for affordable rent

71%

of new homes completed were for social rent

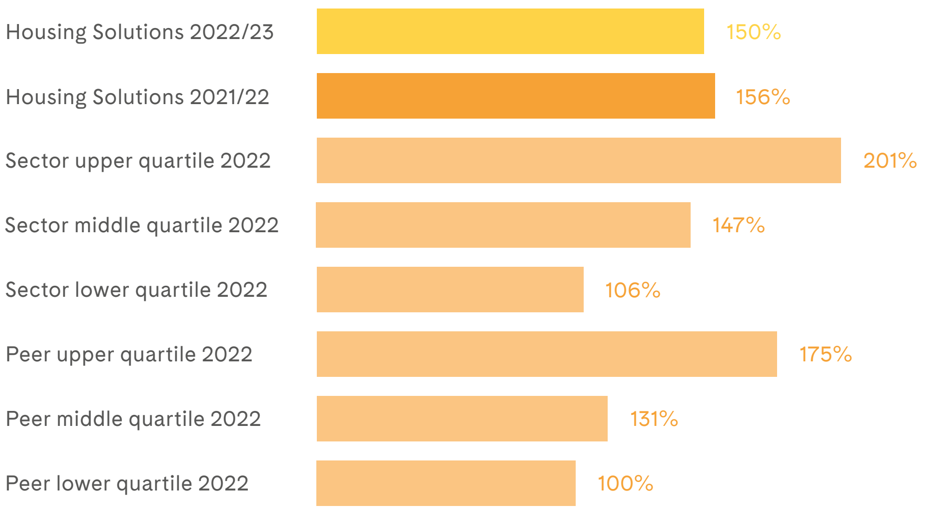
14%

of new homes completed were shared ownership

Metric 4
EBITDA (MRI)

Despite the higher supply chain costs and higher interest rates, we managed to deliver the services residents expect and maintain investment in our housing stock. Our continued investment in our staffing base, our focus on completing as many of our catch up repairs as possible and, at the same time, controlling our costs, has resulted in only a moderate reduction in EBITDA-MRI as a percentage of net interest from 156% in 2021/22 to 150% in 2022/23, better than the 141% we had budgeted for.

EBITDA MRI interest cover (%)



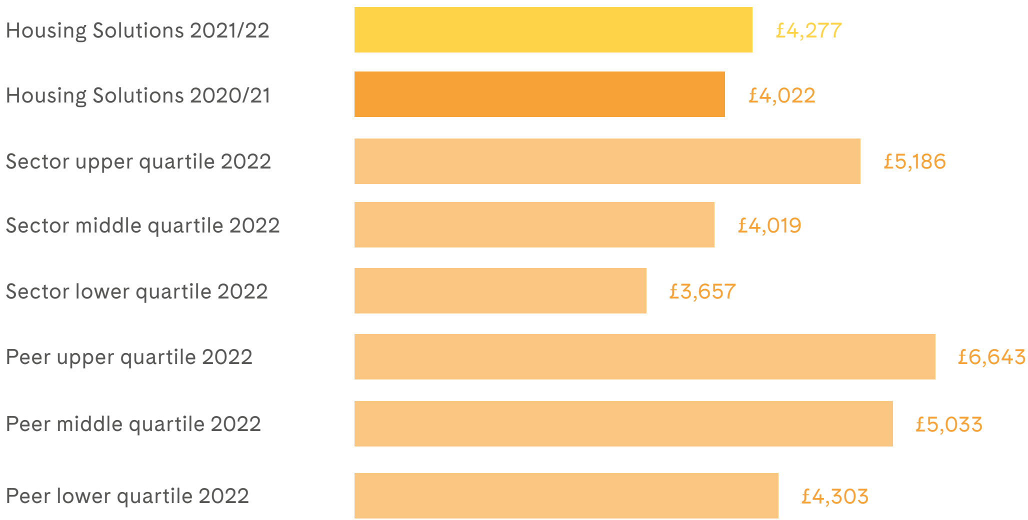
For 2023/24 our interest cover is expected to be above 130% as we increase our investment in our current properties, provide financial support to those residents most in need, and develop new housing.

One of our helpful team at a sheltered scheme

Metric 5
Headline social housing cost per unit

Our cost per unit for social housing has increased by 6% on the previous year and was £4,277 per unit. This increase is lower than the inflationary increases having been mitigated by our increase in stock numbers at the end of the year from the One Housing Group acquisition. In comparison, without the additional 455 units this acquisition provided, our cost per unit for social housing would be £4,604, reflecting a 14.5% increase. Whilst this is a significant increase, it is below the £4,632 maximum level we set ourselves for 2022/23 and it is reflective of extraordinary increases within our supply chain and cost base – materials, management costs and estate charges, repairs catch-up work, fire safety, and staffing.

Social housing cost per unit (£)



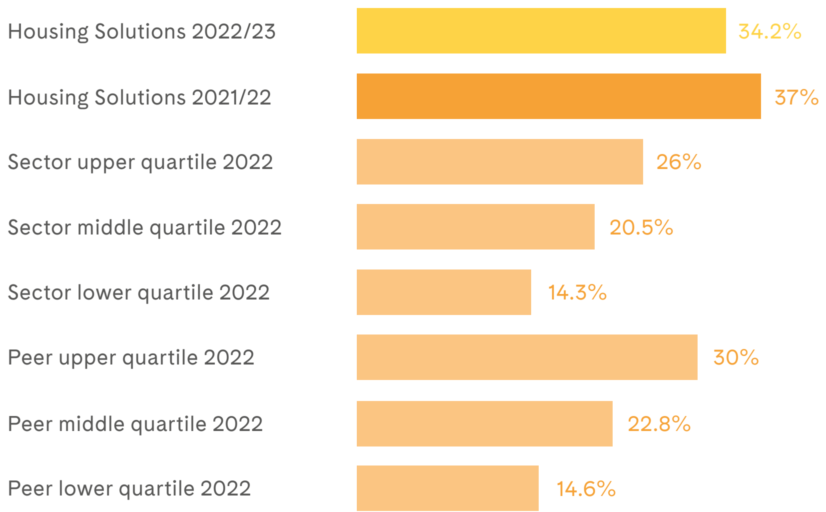
For 2023/24 we have set a maximum target of £5,149 per unit and, whilst this is a further increase on the 2022/23 value, it has been calculated based on known inflationary pressures across our operations and investment requirements in our existing stock.

> For 2023/24 our interest cover is expected to be above 130% as we increase our investment in our current properties, provide financial support to those residents most in need, and develop new housing.

Metric 6
Operating margins

We split our operating margins up to separate the results of all our activities from that just associated with our social housing lettings. The former includes all property sales and non-social housing activities which are used to subsidise our social housing activities, whether these be commercial activities such as letting offices, or through our market rented properties.

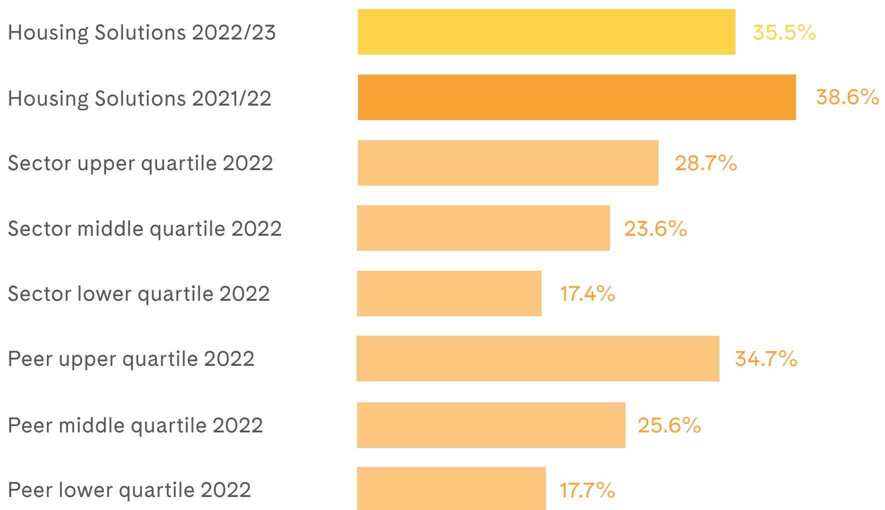
Operating margins (overall) (%)



Both our operating margins decreased as a result of a higher cost per unit but are still well above the sector median.

We maintained a strong overall margin from the sale of the first tranche of shared ownership properties, but the increase in operating costs resulted in this metric reducing. For 2023/24 our budget is forecast to achieve margins of between 35% and 37%, based on our budgeted performance.

Operating margins (social housing lettings only) (%)

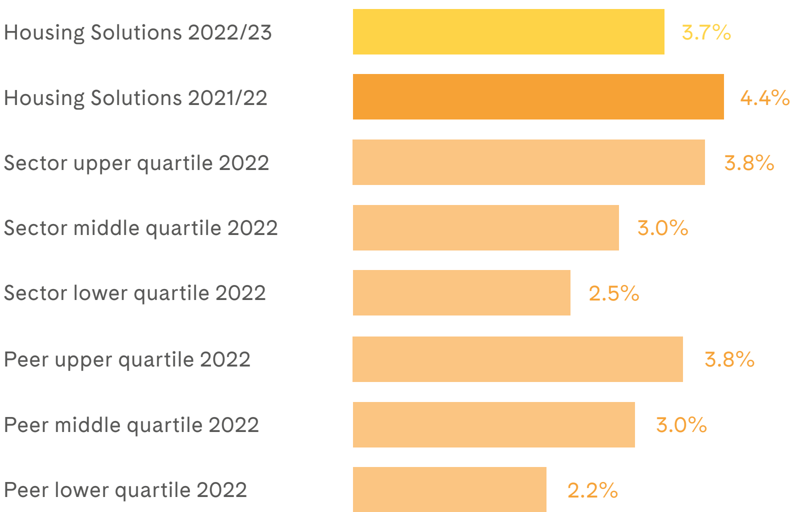


Metric 7
Return on capital employed

The return on capital employed (ROCE) reflects the operating surplus as a percentage of total assets less current liabilities.

The minor reduction in ROCE directly reflects that already mentioned in the other VfM metrics, being the reduction in operating surplus, influenced by the increase in operating costs, and the higher cost per unit.

Return on capital employed (%)



Housing Solutions team celebrating a victory at our summer conference

Our value for money strategy

In November 2021 our Board approved the new 2021/26 Value for Money Strategy. This is a 5 year strategy which is reviewed and updated annually, being a revolving 5 year programme.

In setting the context of the strategy, from 2017 to 2020, costs have increased on average by 8.5% per annum, with lettings costs and overheads having the greatest increase. Whilst our cost per unit has remained lower than the sector median – this is not a goal by itself, as the Board has expressed a willingness to increase our cost per unit but only if there is a clear and demonstratable improvement in the service provision for residents. Resident satisfaction, safety, and sustainability being the central pillars to the Housing Solutions Corporate Strategy.

The Board has set the following value for money targets:

Zero harm to staff and residents

Objectives	Target 2022/23	Target by 2026
A culture of safety & responsibility	50% of all Asset managers NEBOSH trained	Sector leading engagement in safety week

Achieved

During 2022/23 two managers completed the NEBOSH qualifications bringing the percentage of NEBOSH qualified managers to 50% and a further four obtained IOSH qualifications.

Reduce the cost per unit through growth and reinvest this in our services

Objectives	Target 2022/23	Target by 2026
Satisfy residents, while keeping rent and service charges as low as possible	Residents consider our services offer good value for money: ›87% of those using general needs services ›77% of sheltered residents ›69% of homeownership residents	Residents consider our services offer good value for money: ›89% of those using general needs services ›80% of sheltered residents ›75% of homeownership residents

Not assessed

One of the core pillars of our corporate objectives is the satisfaction of residents. We used an independent organisation to survey a number of residents and the feedback identified service charges as an area adversely impacting on resident satisfaction in 2021/22. A survey of residents is planned to be undertaken in September 2023 to assess this objective.

Reduce the cost per unit through growth and reinvest this in our services

Objectives	Target 2022/23	Target by 2026
Reduce the cost per unit through growth, either through organic growth and/or inorganic growth	Deliver more than 180 new homes (year 1 & 2)	Deliver more than 460 new homes (years 1–5).
A strong local presence	95% of new homes built or acquired will be within 60 minutes of Maidenhead	95% of new homes built or acquired will be within 60 minutes of Maidenhead

Achieved

We recognise that developing more homes can spread the cost of the overheads and management fees to residents, effectively benefitting from economies of scale, as well as providing much needed new low cost homes for people in need. During 2021/22 (year 1) and 2022/23 (year 2) we developed 129 new homes, and acquired 455 homes from One Housing Group, of which 100% were within 60 minutes of Maidenhead.

Source quality goods and services at an optimal cost and a strategic approach to procurement

Objectives	Target 2022/23	Target by 2026
Maximising our income through a reduction in our current arrears	Achieve arrears of or below 2.5%	Achieve arrears of or below ‹2% and maintain this

Achieved

Despite the adverse impact that the cost of living crisis has had on residents, one of the standout areas of performance over the past year was income collection, with gross rent arrears falling to 2.03% for 2022/23 (prior to the OHG acquisition) through offering tailored support and assistance to enable residents to continue paying their rent (and service charges) over a difficult year. By working closely with residents and collaboratively across teams we have been able to positively impact income collection at a time which might have seen a marked increase in rent arrears. The next year will continue to present challenges for residents as we face continued rises in living costs, but we intend to build on the achievements made over the last two years to continue to support residents.

Our target is to deliver

more than 460

new homes by 2026

Independent Auditor's Report

Independent auditor's report to the members of Housing Solutions

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the 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 2019.

We have audited the financial statements of Housing Solutions ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023, which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board members 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 and of the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Chairman's Statement and the Strategic Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Association has not kept proper books of account;
- the Association has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the statement of responsibilities of the Board of management, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Association and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Accounting Direction from the Regulator of Social Housing for registered providers, the Co-operative and Community Benefit Societies Act 2014 and relevant tax Legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: The Regulatory Framework of the Regulator for Social Housing, Data Protection and Health and Safety Legislation.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing items included in the fraud register;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the recoverable amount of assets and the assumptions used in determining the defined benefit obligation;
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Paula Willock

Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory Auditor
Gatwick

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

	Note	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Turnover	3	53,689	49,899	53,572	49,717
Cost of sales	3	(4,416)	(3,580)	(4,326)	(3,484)
Gain on disposal of assets	3	896	1,627	896	1,627
Operating costs	3	(30,980)	(27,837)	(30,883)	(27,750)
Operating surplus	**3**	**19,189**	**20,109**	**19,259**	**20,110**
Gain on disposal of investment	8	64	–	64	–
Interest receivable and other income	9	1,826	16	1,865	55
Interest payable and financing costs	10	(14,058)	(12,872)	(14,058)	(12,872)
Movement in fair value of investment properties	14	190	268	190	268
Surplus on ordinary activities before taxation		**7,211**	**7,521**	**7,320**	**7,561**
Tax on surplus on ordinary activities	11	–	–	–	–
Surplus for the year		**7,211**	**7,521**	**7,320**	**7,561**
Actuarial gain/(loss) on defined benefit pension scheme	28	14,755	4,472	14,755	4,472
Total comprehensive income for the year		**21,966**	**11,993**	**22,075**	**12,033**

All of the Group and Association's turnover and surplus disclosed above are derived from continuing activities.

The financial statements were approved and signed and authorised for issue by the Board of Management on 28 September 2023 and are signed on its behalf by:

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Mary Swaine – Company Secretary

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

Group

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2021	–	86,560	86,560
Total comprehensive income for the year	–	11,993	11,993
Balance at 31 March 2022	**–**	**98,553**	**98,553**
Total comprehensive income for the year	–	21,966	21,966
Balance at 31 March 2023	**–**	**120,519**	**120,519**

Association

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2021	–	86,269	86,269
Total comprehensive income for the year	–	12,033	12,033
Balance at 31 March 2022	**–**	**98,302**	**98,302**
Total comprehensive income for the year	–	22,075	22,075
Balance at 31 March 2023	**–**	**120,377**	**120,377**

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2023 £000	2022 £000
Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	492,205	425,141
Tangible Fixed Assets (other)	12b	7,719	8,854
Intangible Fixed Assets	13	1,207	1,137
Investment properties	14	19,275	19,085
Investments	15/16	–	2,509
		520,406	456,726
Current Assets			
Properties for sale	17	1,974	6,828
Debtors	18	3,434	2,482
Cash and cash equivalents		9,406	12,818
		14,814	22,128
Creditors: amounts falling due within one year	19	(16,636)	(22,529)
Net current liabilities		(1,822)	(401)
Total assets less current liabilities		**518,584**	**456,325**
Creditors: amounts falling due after more than one year	21	(390,959)	(335,935)
Net assets excluding pension liability		127,625	120,390
Pension liability	28	(7,106)	(21,837)
Total net assets		**120,519**	**98,553**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		120,519	98,553
Total reserves		**120,519**	**98,553**

The financial statements were approved and authorised for issue by the Board of Management on 28 September 2023 and are signed on its behalf by:

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Mary Swaine – Company Secretary

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2023 £000	2022 £000
Tangible Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	492,446	425,376
Tangible Fixed Assets (other)	12b	6,661	7,708
Intangible Fixed Assets	13	1,207	1,137
Investment properties	14	19,275	19,085
Investments	15/16	50	2,477
		519,639	455,783
Current Assets			
Properties for sale	17	1,974	6,828
Debtors	18	4,129	3,276
Cash and cash equivalents		9,389	12,751
		15,492	22,855
Creditors: amounts falling due within one year	19	(16,689)	(22,564)
Net current (liabilities)/assets		(1,197)	291
Total assets less current liabilities		**518,442**	**456,074**
Creditors: amounts falling due after more than one year	21	(390,959)	(335,935)
Net assets excluding pension liability		127,483	120,139
Pension liability	28	(7,106)	(21,837)
Total net assets		**120,377**	**98,302**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		120,377	98,302
Total reserves		**120,377**	**98,302**

The financial statements were approved and authorised for issue by the Board of Management on 28 September 2023 and are signed on its behalf by:

Elizabeth J Padmore

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Mary Swaine

Mary Swaine – Company Secretary

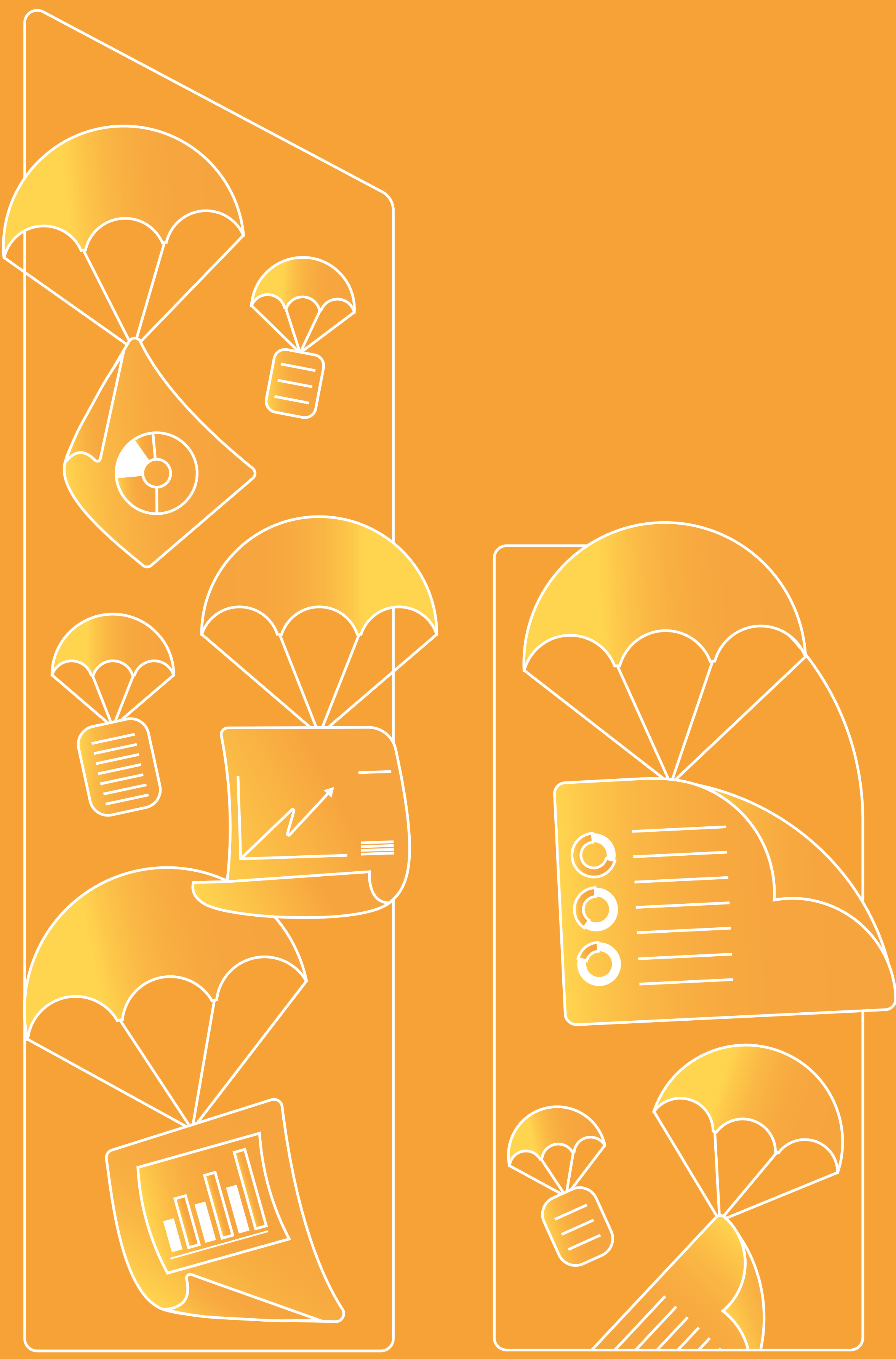
The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2023 £000	2022 £000
Net cash generated from operating activities	27	29,453	32,048
Cash flow from investing activities			
Purchase of tangible fixed assets		(72,301)	(17,374)
Disposal of share in joint venture		2,509	–
Grants received		12,140	31
Interest received		1,826	16
		(55,826)	(17,327)
Cash flow from financing activities			
Interest paid		(14,726)	(15,649)
New secured loans		136,631	–
Repayment of borrowings		(98,944)	(15,649)
		22,961	(31,298)
Net decrease in cash and cash equivalents		**(3,412)**	**(16,577)**
Cash and cash equivalents at the beginning of the year		**12,818**	**29,395**
Cash and cash equivalents at the end of the year		**9,406**	**12,818**

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

Housing Solutions staff taking part in a meet the resident event

Notes to the financial statements



1.0 Legal status

The Association is registered in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a housing provider. The registered office is shown on page 7.

2.0 Accounting policies

2.1 Basis of accounting

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

As a Public Benefit Entity, The Group has applied the 'PBE' prefixed paragraphs of FRS 102.

The financial statements are presented in Sterling (£).

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of Housing Solutions and all of its subsidiary undertakings as at 31 March 2023. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

2.3 Going concern

The Board reviewed Housing Solutions forecasts for the period to March 2025 at the 1 March 2023 meeting and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

The continuing impact of the COVID-19 outbreak and its financial effect, as well as the escalation of the Russia/ Ukraine war, combined with the current levels of high inflation experienced across the UK economy, has meant that the Executive team and Board have reviewed the financial plans for the next five years and beyond to ensure that Housing Solutions will remain a going concern. We have modelled a number of scenarios based on current estimates of rent collection, investment in developing new properties, property sales, and maintenance spend, as well as forecasts of future inflation expectations. Board will continue to review the Business Plan with the Executive team and continue to work with residents and stakeholders to deliver exceptional services in a friendly, solution-focused way.

Given the strength of the Statement of Financial Position and availability of cash and liquidity in undrawn loan facilities, the Board believe that Housing Solutions will continue as a going concern. Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

2.4 Investment in subsidiaries and joint ventures

The consolidated financial statements incorporate the financial statements of the Association and entities (including special purpose entities) controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income, and expenses are eliminated in full on consolidation.

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

Investments in joint ventures are accounted for using equity accounting in the consolidated financial statements and at cost less impairment in the Association financial statements.

2.5 Turnover and revenue recognition

Turnover comprises of rental income receivable in the year, income from shared ownership first tranche sales, and other services. These are included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

2.6 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If, and when, all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised and will be assessed for tax in a future period, except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or current asset.

2.7 Financial instruments

All financial instruments are judged to be basic financial instruments as defined in Section 11 of FRS 102. The indexed linked loan is accounted for under the amortised cost model whereas the other loans are at cost, as there is not any material difference between the historic cost and amortised cost for these loans.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

2.9 Creditors

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

2.10 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

2.11 Pensions

The Group participated in a funded multi-employer defined benefit scheme – Royal County of Berkshire Pension Scheme (RCBPS); the Group ceased to have active members in the scheme from 1 April 2020.

The RCBPS scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented as a separate provision on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

As there are no active members, there are no current service costs or costs from settlements and curtailments charged against operating surplus. Net interest costs are calculated by applying the discount rate to the net defined benefit liability and are recognised in the income and expenditure account as a finance cost. Remeasurements are reported in other comprehensive income.

The Group participates in a defined contribution scheme operated by Scottish Widows.

The Scottish Widows scheme is accounted for as a defined contribution plan. The charge to income and expenditure represents the employer contribution payable to the scheme for the accounting period.

2.12 Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period, and expenditure incurred in respect of improvements.

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

Depreciation of housing properties

The Group separately identifies the major components, which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

	% pa	Number of years
Structure	1.0	100
Roofs	1.3	75
Bathrooms	3.3	30
Kitchens	5.0	20
Windows and doors	3.3	30
Heating source	6.7	15
Heating distribution	3.3	30
Rewiring	3.3	30
Lifts	4.0	25

Impairment

Annually, housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the carrying amount of the cash generating unit (CGU) to its recoverable amount. Where the carrying amount of a CGU is deemed to exceed its recoverable amount, the CGU is written down to its recoverable amount. This is likely to be the value in use of the CGU based on its service potential. The resulting impairment loss is recognised as expenditure in the Statement of Comprehensive Income. Where a CGU is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Social housing grant and other government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations for the development of housing properties. The amount of grant received is included in Deferred Capital Grants and recognised within turnover over the estimated useful economic life of the associated components.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

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

Other grants

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

Properties for sale

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

Capitalisation of interest

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of social housing grant received in advance; or

- a fair amount of interest on borrowings of the Association as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

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

2.13 Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised within the Statement of Comprehensive Income.

2.14 Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Other freehold property	100 years
Free/Leasehold premises' improvements	21 years
Furniture and equipment	5 years
Computer equipment	5 years
Plant & machinery	25 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2.15 Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

Amortisation is provided evenly on the cost of intangible assets to write them down to their estimated residual values over their expected useful lives. The principal annual rate used for intangible assets is:

Computer software	5 years

2.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

2.17 Significant judgements and estimates

In preparing these financial statements, key judgements have been made in respect of the following:

Impairment of assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date. Indicators include changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, losses from operating that property, obsolescence of a property or contamination of a site. Impairment is tested at income generating unit level which is at scheme level.

There was no impairment of assets during the year.

Classification of properties

The categorisation of housing properties as investment properties or property, plant and equipment is based on the intended use of the asset.

Classification of financial instruments

The classification of financial instruments as “Basic” or “Other” is based on the contractual terms for each instrument. Management have judged all instruments to be Basic.

Properties developed for sale

Properties developed for sale are held at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less selling costs. Estimated selling prices were provided by external valuers and by reference to actual selling prices for completed developments. For schemes under construction the estimated costs to completion are based on approved budgets and forecasts.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided. Actual results may be substantially different.

Valuation of investment properties

Management reviews its valuation of investment properties at each reporting date, based on either formal valuation reports or an update to those reports based on market conditions and other changes to assumptions. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance, and future cash flows. Valued investment properties totalled £19.3m at the year end.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to Decent Homes standards which may require more frequent replacement of key components.

Defined benefit obligation (DBO)

Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 28).

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

Group

	2023 Turnover £000	2023 Cost of sales £000	2023 Operating expenditure £000	2023 Gain on disposal £000	2023 Operating surplus £000
Social housing lettings	44,930	–	(28,977)	–	15,953
Other social housing activities					
Lifeline alarm system	74	–	(58)	–	16
Shared ownership 1st tranche sales	5,656	(4,326)	–	–	1,330
Supporting people	–	–	–	–	–
	50,660	**(4,326)**	**(29,035)**	**–**	**17,299**
Activities other than social housing (Note 3b)	3,029	(90)	(1,945)	–	994
Gain on disposal of housing properties (Note 8)	–	–	–	896	896
Total	**53,689**	**(4,416)**	**(30,980)**	**896**	**19,189**

	2022 Turnover £000	2022 Cost of sales £000	2022 Operating expenditure £000	2022 Gain on disposal £000	2022 Operating surplus £000
Social housing lettings	41,584	–	(25,530)	–	16,054
Other social housing activities					
Lifeline alarm system	86	–	(69)	–	17
Shared ownership 1st tranche sales	4,751	(3,484)	–	–	1,267
Supporting people	38	–	–	–	38
	46,459	**(3,484)**	**(25,599)**	**–**	**17,376**
Activities other than social housing (Note 3b)	3,440	(96)	(2,238)	–	1,106
Gain on disposal of housing properties (Note 8)	–	–	–	1,627	1,627
Total	**49,899**	**(3,580)**	**(27,837)**	**1,627**	**20,109**

Association

	2023 Turnover £000	2023 Cost of sales £000	2023 Operating expenditure £000	2023 Gain on disposal £000	2023 Operating surplus £000
Social housing lettings	44,930	–	(28,977)	–	15,953
Other social housing activities					
Lifeline alarm system	74	–	(58)	–	16
Shared ownership 1st tranche sales	5,656	(4,326)	–	–	1,330
Supporting people	–	–	–	–	–
	50,660	**(4,326)**	**(29,035)**	**–**	**17,299**
Activities other than social housing (Note 3b)	2,912	–	(1,848)	–	1,064
Gain on disposal of housing properties (Note 8)	–	–	–	896	896
Total	**53,572**	**(4,326)**	**(30,883)**	**896**	**19,259**

	2022 Turnover £000	2022 Cost of sales £000	2022 Operating expenditure £000	2022 Gain on disposal £000	2022 Operating surplus £000
Social housing lettings	41,584	–	(25,530)	–	16,054
Other social housing activities					
Lifeline alarm system	86	–	(69)	–	17
Shared ownership 1st tranche sales	4,751	(3,484)	–	–	1,267
Supporting people	38	–	–	–	38
	46,459	**(3,484)**	**(25,599)**	**–**	**17,376**
Activities other than social housing (Note 3b)	3,258	–	(2,151)	–	1,107
Gain on disposal of housing properties (Note 8)	–	–	–	1,627	1,627
Total	**49,717**	**(3,484)**	**(27,750)**	**1,627**	**20,110**

Group and Association

	2023						2022
	General needs housing £000	Supported housing and housing for older people £000	Key worker housing £000	Care homes £000	Low cost home ownership £000	Total £000	Total £000
Rent receivable net of identifiable service charges	29,548	3,344	225	5,651	2,361	41,129	38,329
Service charge income	1,218	1,337	–	–	604	3,159	2,620
Amortised government grants	642	–	–	–	–	642	635
Turnover from social housing lettings	**31,408**	**4,681**	**225**	**5,651**	**2,965**	**44,930**	**41,584**
Expenditure							
Management and other operating expenses	7,199	1,151	34	741	1,000	10,125	8,555
Service charge costs	1,907	1,308	10	80	291	3,596	3,110
Routine maintenance	3,104	521	17	341	39	4,022	3,830
Planned maintenance	3,153	834	23	973	138	5,121	4,416
Bad debts	87	13	1	13	12	126	(106)
Depreciation of housing properties	4,096	559	24	590	–	5,269	4,935
Other costs	515	66	3	69	65	718	790
Operating expenditure on social housing lettings	**20,061**	**4,452**	**112**	**2,807**	**1,545**	**28,977**	**25,530**
Operating surplus on social housing lettings	**11,347**	**229**	**113**	**2,844**	**1,420**	**15,953**	**16,054**
Void losses	309	195	19	0	5	528	585

3(b) Particulars of activities other than social housing

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Market rent accommodation	762	667	762	667
Rental income from garages	238	259	238	259
External estate and repairs maintenance	1,282	1,505	1,282	1,505
Feed-in tariff income from PV panels	264	239	–	–
Other income	483	770	630	827
	3,029	3,440	2,912	3,258

4 Accommodation in management and development

Group and Association

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

	2022 units	Additions units	Disposals units	Tenure changes units	Other units	2023 units
Social housing						
General needs	3,647	347	–	–	–	3,994
Affordable	436	70	(1)	–	–	505
Supported housing and housing for older people	572	4	–	–	(1)	575
Low cost home ownership	535	70	(10)	–	–	595
Key worker housing	27	–	–	–	–	27
Residential care homes	693	–	–	–	–	693
Total owned	**5,910**	**491**	**(11)**	**–**	**(1)**	**6,389**
Total owned and managed	**5,910**	**491**	**(11)**	**–**	**(1)**	**6,389**
Non-social housing						
Market rent – owned	34	–	–	–	–	34
Temporary accommodation – leased out	13	–	–	–	–	13
Market rent – managed for others	40	–	–	–	(40)	–
Total owned and managed	**87**	**–**	**–**	**–**	**–**	**47**
Accommodation in development at the year end	**52**					**21**

5 Key management personnel

The members of the Board received a total remuneration for services provided as Directors of £66,945 (2022 – £60,829). The remuneration paid to the Executive Directors of Housing Solutions Group (defined as the Chief Executive, the Development Director (retired), the Director of Finance, the Director of Property & Development, the Director of Resident Services & Community, and the Director of Corporate Services) was:

	2023 £000	2022 £000
Emoluments	821	836
Pension contributions	87	89
	908	**925**
Emoluments (including pension contributions) paid to:		
The highest paid Director (the Chief Executive) base salary	177	177
Pension contributions	21	21
Other non-salary payments	31	16
	229	**214**

The Chief Executive is a member of the direct contribution pension scheme and their pension entitlement is identical to other members of the scheme. Housing Solutions does not contribute to any other pension scheme on behalf of the Chief Executive.

6 Employee information

	2023 Number	2022 Number
The average weekly number of full-time equivalent persons (including Directors) (Calculated using a standard 37 hour week):		
Office staff	103	105
Caretakers and cleaners	16	15
Building maintenance staff	24	26
	143	**146**

	2023 £000	2022 £000
Staff costs (for the above persons):		
Wages and salaries	7,526	7,005
Social security costs	799	700
Pension costs – contributions	627	596
Pension cost – contributions to defined benefit scheme	551	543
	9,503	**8,844**

The full-time equivalent number of staff, including Directors, who received emoluments:

	2023 Number	2022 Number
£60,001 to £70,000	13	7
£70,001 to £80,000	1	3
£80,001 to £90,000	6	6
£90,001 to £100,000	2	–
£100,001 to £110,000	1	–
£110,001 to £120,000	–	1
£120,001 to £130,000	1	–
£130,001 to £140,000	1	1
£150,001 to £160,000	2	2
£200,001 to £210,000	1	1

7 Operating surplus

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Operating surplus is stated after charging:				
Depreciation				
– housing properties	4,893	4,536	4,893	4,536
– accelerated depreciation on components	377	397	377	397
– other fixed assets	459	517	371	434
Amortisation of intangible assets	373	343	373	343
Operating lease rentals:				
– hire of motor vehicles	166	22	166	22
– office equipment	19	9	19	9
Auditor's remuneration				
– for audit purposes				
– parent	46	45	46	45
– subsidiaries	14	12	–	–
– Total	**60**	**57**	**46**	**45**
– for non-audit purposes				
– tax compliance	10	10	1	1
Internal auditor's remuneration	80	64	80	64

8 Gain on sale of fixed assets

Group and Association

	Housing properties 2023 £000	Other assets 2023 £000	Housing properties 2022 £000	Other assets 2022 £000
Disposal proceeds	2,069	2,491	4,358	–
Cost of sales (administration)	(9)	–	(67)	–
Carrying value of fixed assets	(1,164)	(2,427)	(2,664)	–
Gain on sale of fixed assets	**896**	**64**	**1,627**	**–**

9 Interest receivable

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Intercompany interest receivable	–	–	39	39
Termination gain on loan repayment	1,695	–	1,695	–
Interest receivable	131	16	131	16
	1,826	**16**	**1,865**	**55**

10 Interest and financing costs

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Loans and bank overdrafts	13,587	12,824	4,807	4,275
Interest payable to Group companies	–	–	8,780	8,549
Interest payable capitalised on housing properties under construction	(89)	(472)	(89)	(472)
Defined benefit pension charge	560	520	560	520
	14,058	**12,872**	**14,058**	**12,872**

11 Tax on surplus on ordinary activities

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Current tax				
UK corporation tax on surplus for the year	–	–	–	–
Adjustments in respect of prior years	–	–	–	–
Total current tax	**–**	**–**	**–**	**–**
Deferred tax				
Net origination and reversal of timing differences	–	–	–	–
Total deferred tax	**–**	**–**	**–**	**–**
Total tax on results on ordinary activities	**–**	**–**	**–**	**–**

Analysis of Charge in Period

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2022: 19%).

The differences are explained as follows:

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Total tax reconciliation				
Surplus on ordinary activities before tax – SOCI	7,211	7,521	7,320	7,562
Expected tax at 19% (2022: 19%)	1,370	1,429	1,391	1,437
Effects of:				
Income not taxable for tax purposes	(1,376)	(1,425)	(1,391)	(1,437)
Expenses not deductible for tax purposes	–	–	–	–
Deferred tax not recognised	6	(4)	–	–
Total tax charge for the period	**–**	**–**	**–**	**–**

12(a) Tangible fixed assets – properties

Group

	Housing properties and mobile homes £000	Housing properties under construction £000	Shared ownership properties £000	Shared ownership properties under construction £000	Total £000
Cost or Valuation at 1 April 2022	**414,549**	**5,228**	**60,278**	**2,764**	**482,819**
Additions	54,727	6,017	6,942	1,457	69,143
Completed	8,857	(8,857)	3,444	(3,444)	–
Disposals – Staircasing	–	–	(1,248)	–	(1,248)
Disposals – Other	(132)	–			(132)
Disposals – Components	(994)	–	–	–	(994)
Works to existing properties	3,686	–	–	–	3,686
Transfer to current assets	–	–	132	–	132
Transfer from Other Tangible Fixed Assets	841	–	–	–	841
At 31 March 2023	**481,534**	**2,388**	**69,548**	**777**	**554,247**
Depreciation at 1 April 2022	(57,678)	–	–	–	(57,678)
Depreciation charged in year	(4,893)	–	–	–	(4,893)
Transfer from Other Tangible Fixed Assets	(88)				(88)
Eliminated on disposal:					
Components	617	–	–	–	617
At 31 March 2023	**(62,042)**	**–**	**–**	**–**	**(62,042)**
Net book value as at 31 March 2023	**419,492**	**2,388**	**69,548**	**777**	**492,205**
Net book value as at 31 March 2022	**356,871**	**5,228**	**60,278**	**2,764**	**425,141**

The carrying value of property used as security for loan facilities totals to £229m.

Association

	Housing properties and mobile homes £000	Housing properties under construction £000	Shared ownership properties £000	Shared ownership properties under construction £000	Total £000
Cost or Valuation at 1 April 2022	**414,549**	**5,463**	**60,278**	**2,764**	**483,054**
Additions	54,727	6,023	6,942	1,457	69,149
Completed	8,857	(8,857)	3,444	(3,444)	–
Disposals – Staircasing	–	–	(1,248)	–	(1,248)
Disposals – Other	(132)	–			(132)
Disposals – Components	(994)	–	–	–	(994)
Works to existing properties	3,686	–	–	–	3,686
Transfer to current assets	–	–	132	–	132
Transfer from Other Tangible Fixed Assets	841	–	–	–	841
At 31 March 2023	**481,534**	**2,629**	**69,548**	**777**	**554,488**
Depreciation at 1 April 2022	(57,678)	–	–	–	(57,678)
Depreciation charged in year	(4,893)	–	–	–	(4,893)
Transfer from Other Tangible Fixed Assets	(88)				(88)
Eliminated on disposal:					
Components	617	–	–	–	617
At 31 March 2023	**(62,042)**	**–**	**–**	**–**	**(62,042)**
Net book value as at 31 March 2023	**419,492**	**2,629**	**69,548**	**777**	**492,446**
Net book value as at 31 March 2022	**356,871**	**5,463**	**60,278**	**2,764**	**425,376**

The carrying value of property used as security for loan facilities totals to £229m.

Expenditure on works to existing properties

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Components capitalised	3,686	2,918	3,686	2,918
Amounts charged to income and expenditure	9,143	8,246	9,143	8,246
	12,829	**11,164**	**12,829**	**11,164**

Interest capitalisation

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Interest capitalised in the year	89	472	89	472
Cumulative interest capitalised	19,365	18,893	19,365	18,893
	19,454	**19,365**	**19,454**	**19,365**
Rate used for capitalisation	**4.83%**	**4.36%**	**4.83%**	**4.36%**

12(b) Tangible fixed assets – other

Group

	Plant & machinery £000	Other freehold property £000	Furniture & equipment £000	Free/ leasehold improvements £000	Computer equipment £000	Communal areas £000	Total £000
Cost at 1 April 2022	1,963	5,757	1,183	1,675	668	841	12,087
Additions	–	–	59	2	16	–	77
Transfer to Housing properties	–	–	–	–	–	(841)	(841)
At 31 March 2023	**1,963**	**5,757**	**1,242**	**1,677**	**684**	**–**	**11,323**
Depreciation at 1 April 2022	**(817)**	**(637)**	**(845)**	**(366)**	**(480)**	**(88)**	**(3,233)**
Charge for Year	(88)	(58)	(147)	(80)	(86)	–	(459)
Transfer to Housing properties	–	–	–	–	–	88	88
At 31 March 2023	**(905)**	**(695)**	**(992)**	**(446)**	**(566)**	**–**	**(3,604)**
Net book value as at 31 March 2023	**1,058**	**5,062**	**250**	**1,231**	**118**	**–**	**7,719**
Net book value as at 31 March 2022	**1,146**	**5,120**	**338**	**1,309**	**188**	**753**	**8,854**

Association

	Other freehold property £000	Furniture & equipment £000	Free/ leasehold improvements £000	Computer equipment £000	Communal areas £000	Total £000
Cost at 1 April 2022	5,757	1,183	1,675	668	841	10,124
Additions	–	59	2	16	–	77
Transfer to Housing properties	–	–	–	–	(841)	(841)
At 31 March 2023	**5,757**	**1,242**	**1,677**	**684**	**–**	**9,360**
Depreciation at 1 April 2022	**(637)**	**(845)**	**(366)**	**(480)**	**(88)**	**(2,416)**
Charge for Year	(58)	(147)	(80)	(86)	–	(371)
Transfer to Housing properties	–	–	–	–	88	88
At 31 March 2023	**(695)**	**(992)**	**(446)**	**(566)**	**–**	**(2,699)**
Net book value as at 31 March 2023	**5,062**	**250**	**1,231**	**118**	**–**	**6,661**
Net book value as at 31 March 2022	**5,120**	**338**	**1,309**	**188**	**753**	**7,708**

13 Intangible fixed assets

Group and Association

	Computer software £000
Cost at 1 April 2022	3,604
Additions	443
Disposals	–
At 31 March 2023	**4,047**
Amortisation at 1 April 2022	(2,467)
Charge for Year	(373)
Disposals	–
At 31 March 2023	**(2,840)**
Net book value as at 31 March 2023	1,207
Net book value as at 31 March 2022	**1,137**

14 Investment properties non-social housing properties held for letting

	2023 £000	2022 £000
At 1 April	19,085	19,070
Disposals	–	(253)
Increase in value	190	268
At 31 March	**19,275**	**19,085**

Investment properties were valued as at 31 March 2023. The Group's investment properties have been valued by Jones Lang LaSalle, professional external valuers. The full valuation of all properties was undertaken, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (RICS). Jones Lang LaSalle included the below in their valuation report:

In valuing investment properties, a discounted cash flow methodology was adopted with key assumptions:

Discount rate	6.5%
Annual inflation rate, after first two years	2.5%
Level of long-term annual rent increase	2.5%

15 Investments

The financial statements consolidate the results of HSG Property Services Limited, Housing Solutions Capital PLC and Housing Solutions Development Limited which are all subsidiaries of the Association. The Association has the right to appoint members to the Boards of the subsidiaries and thereby exercises control over them.

	% Shareholding	Country of incorporation	Principal activity
HSG Property Services Limited	100	England	Provides photo voltaic panels and other energy saving solutions to save costs and creates revenue for the Group
Housing Solutions Capital PLC	100	England	Facilitates capital market funding for the Group
Housing Solutions Development Limited	100	England	Facilitates the design and build of properties for the Group

16 Long-term investment

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Investment in Housing Solutions Development Limited	–	–	–	–
Investment in Housing Solutions Capital PLC	–	–	50	50
Investment in Glassford LLP	–	2,509	–	2,427
	–	2,509	50	2,477

On May 4 2022 Glassford LLP disposed of its 40 market rent properties. Glassford LLP was wound up during the financial year ended 31 March 2023.

17 Properties for sale

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Shared Ownership – Completed properties	1,597	5,564	1,597	5,564
Work in progress	377	1,264	377	1,264
	1,974	6,828	1,974	6,828

18 Debtors

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Due within one year				
Rent and service charge receivable	2,351	1,449	2,351	1,449
Less provision for bad and doubtful debts	(1,166)	(909)	(1,166)	(909)
	1,185	540	1,185	540
Prepayments and accrued income	854	945	854	945
Amounts owed by Group undertakings	–	–	723	831
Other debtors	1,395	997	1,367	960
	3,434	**2,482**	**4,129**	**3,276**

19 Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Loans (Note 22)	2,500	10,363	2,500	10,363
Trade creditors	2,799	2,267	2,799	2,267
Rent received in advance	1,564	1,054	1,564	1,054
Other tax and social security	229	231	229	231
Capital creditors	2,006	1,048	2,006	1,048
Accrued interest	1,340	1,540	1,340	1,540
Other creditors	1,026	886	1,026	886
Amounts owed to Group undertakings	–	–	117	116
Recycled capital grant fund (Note 20)	1,248	1,027	1,248	1,027
Holiday pay accrual	209	202	209	202
Deferred capital grant	778	640	778	640
Accruals	2,937	3,271	2,873	3,190
	16,636	**22,529**	**16,689**	**22,564**

20 Recycled capital grant fund

Group and Association

	2023 £000	2022 £000
As at 1 April	1,027	831
Grants utilised	215	196
Grants recycled	6	–
At 31 March	**1,248**	**1,027**
Amount up to three years	415	282
Amount three years or older where repayment may be required	833	745
	1,248	**1,027**

21 Creditors: Amounts falling due after more than one year

Group and Association

	2023 £000	2022 £000
Loans (Note 22)	325,323	279,773
Deferred capital grant (Note 23)	64,003	53,590
Unamortised loan premium	1,633	2,572
	390,959	**335,935**

22 Borrowings

Group and Association

	2023 £000	2022 £000
Due within one year		
Bank loans	–	7,863
Other loans	2,500	2,500
	2,500	**10,363**
Due after more than one year		
Bank loans	96,500	88,580
Other loans	228,823	191,193
	325,323	**279,773**
Total loans	**327,823**	**290,136**

	1 April 2022	Cash flows	31 March 2023
Net Debt Reconciliation			
Cash at bank and in hand	12,818	(3,412)	9,406
Loans	(290,136)	(37,687)	(327,823)
Net Debt	**(277,318)**	**(41,099)**	**(318,417)**

Security

Housing loans are secured by specific charges on the housing properties and by a first fixed charge on Housing Solution's bank accounts.

Terms of repayment and interest rates

Bank loans are being repaid over different periods, some with quarterly payments and others with annual payments. Final instalments range from April 2026 to March 2038. As at 31 March 2023, Interest of bank debt is variable, with rates around from 5%. Other loans include long term loans with M & G, MORhomes, Legal & General, and Pension Investment Corp, which have bullet repayments in 2034, 2038, 2054, and 2060 and fixed coupons ranging from 3.67% to 5.43%. The M & G loan has an index linked tranche of £47.5m linked to RPI which is amortising annually. The current fixed rate of this facility is 5.568%.

During the year, the Group agreed a new Private Placement of £40m, and two new revolving bank facilities of a total of £100m. Two bank facilities of a total of £96.4m were fully repaid.

At 31 March 2023 the Group had undrawn facilities of £78.5m (2022: £81.7m).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2023 £000	2022 £000
Within one year or on demand	2,500	10,363
One year or more but less than two years	2,500	10,580
Two years or more but less than five years	104,000	32,098
Five years or more	218,823	237,095
	327,823	**290,136**

23 Deferred capital grant

Group and Association

	2023 £000	2022 £000
As at 1 April	54,230	55,074
Grant received in the year	12,140	32
Grant transferred to/from the recycled capital grant fund on property disposals in the year	(215)	(196)
Grant released on disposals	(732)	(45)
Grant amortised to income	(642)	(635)
At 31 March	**64,781**	**54,230**
Amount due to be released < 1 year	778	640
Amount due to be released > 1 year	64,003	53,590
As at 31 March	**64,781**	**54,230**

The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2023, the value of grant received in respect of these properties that had not been disposed of was £64.8m.

24 Non-equity share capital

Shares of £1 each issued and fully paid	Association 2023 Number	Association 2022 Number
At 1 April 2022 and as at 31 March 2023	10	10
	10	**10**

25 Leasing commitments

Group and Association

The future minimum lease payments of leases are as set out below. Leases relate to motor vehicles and office equipment.

The Association and Group's future minimum operating lease payments are as follows:

	2023 £000	2022 £000
Within one year	178	31
Between one and five years	7	–
	185	**31**

26 Capital commitments

Group and Association

	2023 £000	2022 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	5,351	3,015
Capital expenditure that has been authorised by the Board but has not been contracted for	15,212	6,292

Capital commitments will be funded through a combination of retained reserves, loans, and grant. Included within this is £2.2m for the cladding removal of Evenlode.

27 Cash flow from operating activities

	2023 £000	2022 £000
Surplus for the year from SOCI	7,211	7,521
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	5,351	5,114
Amortisation of intangible fixed assets	373	342
Loss on disposal of replaced components	377	397
Amortised grant	(642)	(635)
Interest payable and finance costs	14,058	12,872
Cost element of housing property sales in operating surplus	1,408	3,112
Interest received	(1,826)	(16)
	26,310	**28,707**
Movement in fair value of investment properties	(190)	(268)
Share of surplus in joint venture	–	5
Decrease in stock	3,968	2,264
Decrease in trade and other debtors	(952)	222
(Decrease) / increase in trade and other creditors	853	1,644
Difference between net pension expense and cash contribution	(536)	(526)
Net cash generated from operating activities	**29,453**	**32,048**

28 Pensions

Housing Solutions operates a defined contribution pension scheme and operated a defined benefit pension scheme (with no active members since 1 April 2020) as detailed below:

Royal County of Berkshire Pension Scheme (Group and Association)

The RCBPS is a multi-employer scheme, administered by The Royal Borough of Windsor and Maidenhead under the regulations governing the Local Government Pension Scheme, is a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2019 by a qualified independent actuary.

Housing Solutions ceased to have active members in the RCBPS at the year ended 31 March 2020. There is an agreement in place to make contributions to the pension deficit. The pension deficit contribution for the accounting period commencing 1 April 2023 was £563,000.

Principal actuarial assumptions
Financial assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	**4.80%**	2.60%
Future salary increases	**3.90%**	4.20%
Future pension increases	**2.90%**	3.20%

Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation are based on the S2PA tables with a multiplier of 95%. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% p.a. The new CMI 2020 Model introduces a “2020 weight parameter” for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results.

The assumed life expectations on retirement at age 65 are:

	2023 No. of years	2022 No. of years
Retiring today:		
Males	**21.1**	21.3
Females	**23.9**	24.0
Retiring in 20 years:		
Males	**22.3**	22.6
Females	**25.3**	25.4

Amounts recognised in surplus or deficit

	2023 £000	2022 £000
Current service cost	–	–
Administrative expenses	**(19)**	(17)
Amounts charged to operating costs	**(19)**	**(17)**
Net interest	**(560)**	(520)
Amounts charged to operating costs	**(560)**	**(520)**

Remeasurements in other comprehensive income

	2023 £000	2022 £000
Return on Fund assets in excess of interest	**(487)**	2,029
Other actuarial gains/(losses) on assets	**(43)**	–
Change in financial assumptions	**16,057**	2,534
Change in demographic assumptions	**1,729**	–
Experience gain/(loss) on defined benefit obligation	**(2,501)**	(91)
Remeasurements of the net assets/(defined liability)	**14,755**	**4,472**

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

	2023 £000	2022 £000
Opening scheme liabilities	41,234	43,725
Interest cost	1,059	865
Changes in financial assumptions	(16,057)	(2,534)
Benefits paid	(955)	(908)
Experience loss on defined benefit obligation	2,501	91
Change in demographic assumptions	(1,729)	–
Unfunded pension payments	(5)	(5)
Closing scheme liabilities	**26,048**	**41,234**

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

	2023 £000	2022 £000
Opening fair value of plan assets	19,397	17,410
Interest income	499	345
Return on plan assets (in excess of interest)	(487)	2,029
Other actuarial losses	(43)	–
Administration expenses	(19)	(17)
Contributions by employer	555	543
Benefits paid	(960)	(913)
Closing fair value of plan assets	**18,942**	**19,397**

	2023 £000	2022 £000
Net Pension Liability	7,106	21,837

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

	2023 %	2022 %
Equities	**62.0%**	63.0%
Bonds	**15.0%**	17.0%
Properties	**13.0%**	12.0%
Cash	**2.0%**	2.0%
Other	**8.0%**	6.0%
Total	**100%**	**100%**
Return on plan assets	**0.07%**	13.78%

Sensitivity analysis

Adjustment to life expectancy assumption

	+1 year £000	None £000	-1 year £000
Present value of gross obligation	27,081	26,048	25,057
Projected service cost	–	–	–

Adjustment to discount rate

	Increase by 0.1%	None £000	Decrease by 0.1%
Present value of gross obligation	25,632	26,048	26,475
Projected service cost	–	–	–

29 Related parties

Tenant members of the Association are charged normal policy rents and receive no favourable treatment in any respect as a result of their membership of the Association.

Transactions between the company and its 100% owned subsidiaries, which are related parties, have been eliminated on consolidation for the Group.

Design and build contracts for £2,158,475 (2022: £4,463,970) were novated to Housing Solutions Development Limited and the associated costs were transferred from Housing Solutions. On consolidation, these costs are included in the fixed and current assets balance in the Consolidated Statement of Financial Position.

HSG Property Services Limited charged the parent Housing Solutions £14,423 (2022: £11,409) for electricity generated by the photo voltaic panels on residents' roofs and Housing Solutions charged HSG Property Services Limited £12,282 (2022: £11,581) for the rental of residents' roofs. Housing Solutions charged HSG Property Services Limited interest £39,059 (2022: £39,059).

Housing Solutions Capital PLC was charged £8,779,798 (2022: £8,548,904) for interest on the Note Purchase Agreement loan and received £8,779,798 (2022: £8,548,904) in interest from the parent Housing Solutions, for its loan to the parent company.

30 Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014, Registration No. 27876R and is a Registered Social Landlord under the Housing Act 1974, Registration No. L4073.

Housing Solutions

Co-operative and
Community Benefit
Societies No. 27876R

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