Plus Dane Housing

financial statements 2022|23

contents

Board members

Sir Peter Fahy [Chair]

Robin Lawler [resigned 22 September 2022]

Lyndsey Burkert

Jon Corner

Julie Gill

Dr Ann Hoskins

Thomas McIlravey

Frances Chaplin

Gary Dixon

Gillian Healey

Marie Bintley

Executive officers

Ian Reed [Chief Executive]

Claire Dixon [Deputy Chief Executive]

Paul Knight [Chief Operating Officer]

Alison Horner [Company Secretary]

Registered office

Atlantic Pavilion Salthouse Quay Royal Albert Dock Liverpool L3 4AE

Auditors

BDO LLP 3 Hardman Street Manchester M3 3AT

Bankers

National Westminster Bank plc Liverpool One Branch
49 South John Street Liverpool One L1 8BU

chair's statement

Welcome to Plus Dane's Financial Statements 2022/23. Over the past three years, I have opened the statements by talking about the external environment and how much it has influenced how we run the organisation. This year's statement is no different; 2022/23 was a difficult year for everyone with the economic challenges brought about by the aftermath of Covid and the conflict in Ukraine starting to bite for businesses and our customers. Inflation and interest rates really put pressure on household budgets which was further compounded by spiralling utility costs.

Figure 1 Plus Dane customer Georgia McKnight and daughter Gracie Mae in their new home at Cole Court, Runcorn, part of a long-awaited redevelopment of the Tanhouse area.

Our costs increased by £5.4m compared to budget which was largely driven by repairs and maintenance price increases and energy costs. Costs were partially offset by our sales of homes being £1.9m ahead of our forecast and it is pleasing that we were able to outperform the sales programme in such difficult circumstances. This demonstrates that the demand for affordable new homes is still significant, so we were pleased to support this demand by building 148 new homes in the year.

It has been another incredibly difficult year for our customers, and we have seen a steep rise in those needing our support. A cost-of-living task and finish group was created, made up of members of the Board and colleagues from across the organisation to explore what support is available to our customers and whether there were any gaps. We recognised that colleagues were impacted by the crisis, which is why we felt it was valuable to extend the scope of the group to include colleagues.

The task and finish group concluded in December 2022, presenting its findings to the Board alongside an action plan now being delivered. Some of the work included reviewing the impact of the energy inefficiency of some homes on rent arrears and particular demographics of customers, extending our relationships with key partners to offer more services in our neighbourhoods, signing up to an initiative called Pocket Power which supports people by finding ways to reduce outgoings, delivering our annual winter campaign and purchasing energy efficient products to help lower customer utility costs. Despite this support, we did start to see the impact of the cost-of-living on our income, with total arrears increasing by £500k compared to the previous year.

The repair and maintenance of homes within the social housing sector has come under intense scrutiny in the last 12 months with specific emphasis on damp and mould and the death of a young child in Rochdale. We are fully supportive of the change to the Social Housing Regulation Bill to address the concerns raised by this tragedy particularly strengthening the rights of tenants when they have a problem.

The way we deal with damp and mould in our homes has been evolving since 2017 when we first identified an increase in reported cases from customers. We have changed our approach to dealing with this issue to allow us to quickly assess and prioritise our action. We have a number of specialist contractors that support us to establish the causes and carry out required works and have also introduced mandatory training for all colleagues.

Figure 2 Plus Dane customers Gina and Arthur Jacobs, of Greasby, Wirral.

We know that 40% of our homes require investment to bring them up to the energy efficiency rating of EPC C. As well as the requirement to invest in our homes to meet this standard and the threat of climate change by 2030, we understand the link between the thermal efficiency of the home and the impact this has on the customer and their ability to heat it in the most costs effective way. We are constantly reviewing the developing green technologies particularly to ensure they are not only affordable but effective in keeping homes warm. Insulation is undoubtably the key priority.

We will continue to invest in our homes; we know this is a key expectation of our customers. To do this, we continue to deliver on our objective of strengthening our financial resilience, so we have maximum funds available to spend on improvements. One of the ways we have done this has been to review our defined benefit pension schemes. Following consultation with colleagues and trade unions we were able to move almost all colleagues to a new scheme and therefore we exited the Merseyside and Cheshire Pension Funds on 31 July 2022. When the Board originally approved the project, we agreed three options for repayment of the significant debt we incurred on exit. The movement in markets in late 2022 however meant that the final debt was lower than estimated and upon review the Board agreed that the termination debt should be paid in full in the financial year of exit. This one-off event provides Plus Dane with no ongoing liabilities for either scheme allowing us to fully remove the debt from 2023 and beyond. Repayment was possible due to a “carve out” agreed with our funders and the provision we had already set aside for this exit debt. This is the reason for the £4.424m deficit posted in these statements.

The decision to gain certainty of costs by paying the exit debt in full was not one we took lightly but one which we knew would help safeguard Plus Dane in future years from a volatile pensions market. On behalf of the Board, I would like to thank all colleagues for their understanding of the situation we were and in and the reasons behind this change despite the way it will impact many directly.

I would also like to extend my thanks to all colleagues, fellow Board members and the executive team who continue to ensure we are a well-run, financially secure, responsive organisation striving to constantly improve services to customers in these challenging times. As we move into 2023/24 our priority remains the same to provide safe affordable homes for our customers, rewarding careers for our colleagues and with our social purpose at the heart of all we do.

Sir Peter Fahy
Plus Dane Housing Limited 31 August 2023

directors' report

The Board has pleasure in presenting its report for Plus Dane Housing Limited together with the audited financial statements for the year ended 31 March 2023.

Plus Dane Housing Limited consists of:

- Plus Dane Housing Limited
- Dane Partnership Homes Limited

Figure 3 Chair of Plus Dane's Board, Sir Peter Fahy, and colleagues in Congleton getting ready to deliver presents and hampers as part of the annual Winter Campaign.

Principal Activity

Plus Dane Housing provides affordable homes for rent and shared ownership together with housing support for vulnerable and elderly residents. It also has interests in regeneration projects and partnerships to deliver change to the neighbourhoods and communities which it serves to enable them to thrive.

Status

Plus Dane Housing Limited is a Registered Society incorporated under the Co-operative and Community Benefit Societies Act 2014. It is registered with the Regulator of Social (RSH) as a

Registered Provider of social housing and with the Financial Conduct Authority. Dane Partnership Homes Limited is a private limited company set up to assist Plus Dane in delivering new homes but is currently inactive with all development activities held within Plus Dane Housing.

Business Review

Details of the organisation's performance for the year and future plans are set out in the Strategic Report that follows this Directors' report.

Basis of accounting

Plus Dane Housing has prepared its accounts in accordance with Financial Reporting Standard (FRS) 102 for the year ended 31 March 2023.

Customer Involvement

Plus Dane Housing is committed to making a real difference to homes and neighbourhoods, co-creating a route map for communities to enjoy a sustainable future, integral to which is engaging with our customers through a variety of forums. 2022 saw the launch of the new Customer Assurance Panel which ensures that the voice of customers is amplified across the organisation on themes and topics that matter most to them. We successfully integrated the new Panel into our Governance arrangements so that Board have greater oversight of the customer voice as we prepare for the new regulatory environment.

Over the year 479 Plus Dane Voices helped us to improve eight service areas. Some highlights include customers co-designing the new website and testing our new customer portal. We listened to our customer voices to understand how we could best support them during the cost-of-living crisis and asked what more we could do to meet our equality and diversity aspirations.

In our localities, we worked with residents to build their resilience and improve their wellbeing. We successfully delivered a programme of environmental improvements to transform unloved land and invested in our community centres both in terms of the asset and our offer.

In 2023/4 we plan to develop a new customer charter in partnership with customers and further embed how the customer voice is delivering tangible improvements and efficiencies. We will also be sharing our new Tenant Satisfaction Measures and Corporate Plan with the Customer Assurance Panel so they can hold us to account.

Employees

The strength of Plus Dane Housing lies in the commitment and ability of our colleagues; their passion for providing excellent services for customers is key to Plus Dane delivering its social purpose.

Plus Dane Housing develops our colleagues' skills and capability in providing those services through investment in an evolving learning and development offer, in systems and through promoting opportunities for colleagues to have a voice in how we improve, through involvement in activities, surveys and through Trade Union recognition.

We are progressing our commitment to Equality, Diversity, and Inclusion. Working collaboratively with Board Members, colleagues and customers, we agreed an action plan in 2022 to make transparent our commitments in this area and compliance with the Equality Act 2010. Plus Dane continues to regularly meet our obligations through the annual reporting of the Gender Pay Gap and compliance with the Modern Slavery Act 2015.

Health & safety

The Board is aware of its responsibilities on all matters relating to health and safety. Plus Dane Housing has an approved Compliance Framework and has detailed health and safety policies. The Board has appointed a Health and Safety Champion and provide Board and staff training and education on health and safety matters, including safeguarding.

Plus Dane Housing has dedicated health and safety and compliance teams. Health and safety was reported quarterly to People & Governance Committee and is a key part of the internal audit cycle and Property Committee for the delivery of the compliance programme. This was demonstrated in our retention of the RoSPA Gold Award which recognises an organisation’s high level of health and safety performance, demonstrating well developed occupational health and safety management systems and culture, outstanding control of risk and very low levels of error, harm and loss. This was the fourth consecutive year the gold award has been achieving demonstration our continued commitment to Health and Safety.

Figure 4 Colleagues from Plus Dane and Countryside Partnerships at the topping out of our Arncliffe Road extra care scheme, currently in development.

Board Members & Executive Directors

Those Board members who served during the period and Plus Dane's executive directors are set out on page one.

Whilst the Board is responsible for Plus Dane Housing's overall strategy, management is delegated to the Chief Executive. The Executive Management Team (EMT) consisting of: Chief Executive, Deputy Chief Executive and Chief Operating Officer act as executives within the authority delegated by the Board. EMT meets weekly to consider management issues and key decisions.

The Board

The Board comprises of up to twelve non-executive members and is responsible for the strategy, policy framework and managing the affairs of Plus Dane Housing. The Board members are drawn from a wide background bringing together professional, commercial and local experience. The Board delegates the day-to-day management and implementation of that framework to the Chief Executive and other members of the executive team.

Board and independent committee members are selected by a panel of Board members and executive officers following public advertisement for recruitment.

Remuneration policy

The People and Governance Committee, comprising a Chair and a minimum of two other Board members, was responsible for setting Plus Dane Housing's remuneration policy for the Chief Executive. It also recommends to the Board the remuneration levels for board members.

The Committee paid close attention to remuneration levels in the sector, in determining the remuneration levels of the Chair, Chairs of Committees, Board Members, Independent Members and Chief Executive.

Details of the emoluments of Board Members and Executive Directors are set out in note 5 of the financial statements.

Board Members' responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation require the Board Members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board Members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;

- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2022 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 group and association will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Financial statements are published on the group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of compliance

In preparing this report a review of the organisation's governance procedures has been undertaken. Following this review, it is the opinion of the Board that Plus Dane Housing complies with the latest Governance and Financial Viability Standard issued by the regulator.

National Housing Federation (NHF) code of Governance

Plus Dane adopts the National Housing Federation's (NHF) Code of Governance (2020) and the formal Code of Conduct adopted is the NHF's Code of Conduct (2012).

The Board carries out an annual assessment of governance in terms of its compliance against its chosen Code and Code of Conduct. For both the overarching Code of Governance and the Code of Conduct the assessment is conducted on a "comply or explain" basis. Based on the self-assessment of the Code of Governance completed in February 2022, the Code outlines a maximum tenure is normally up to six years (3.7.3) and Board can extend to nine years. Plus Dane Rules permit a maximum of nine years and re appointment is based on having the required skills therefore the tenure of nine years could be considered an area of noncompliance. Plus Dane is compliant with all other principles and those in the Code of Conduct. In 2023 we propose to adopt the 2020 NHF Code of Governance.

Figure 5 Colleagues from Plus Dane and Penny Lane Builders on site at the Crown Buildings development in Crosby, where worked was stopped for an archaeological dig.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness annually, as set out in the International Standards of Auditing (UK and Ireland), the NHF Code of Governance and the Regulator of Social Housing's Governance & Viability Standard.

The system of internal control is designed to provide the Board with reasonable, but not absolute, assurance that risks are identified on a timely basis and dealt with appropriately; that operations are being managed both efficiently and effectively; that assets and people are safeguarded; that proper accounting records are maintained; and that the financial information used within the business or for publication is reliable and that the organisation is compliant with rules, laws and regulations.

Plus Dane has a number of arrangements in place that comprise the overall internal control framework. This is to ensure that:

- Risks are identified, understood, and evaluated
- There is clarity of the likelihood and impact of risks being realised on Plus Dane's ability to deliver its corporate aims and on service delivery
- Clear mitigation plans are in place
- Risks are managed as far as is reasonably practical

The Audit and Assurance Committee has received from the Director of Governance & Assurance a report on the annual review of the effectiveness of the system of internal control for Plus Dane for the year 2022/23. This incorporates the activity undertaken in the year to deliver the internal control environment. This has come from a range of sources including internal audit, management reviews, independent assurance reports and financial and operational performance reports.

Based on the above assessment, the Audit and Assurance Committee has confirmed that there has been improvement across the internal control framework and the application of the framework is adequate. Committee recognise that the further enhancements can be made to strengthen the framework which will be continued throughout 2023/24. The Board has accepted the conclusion of the Audit and Assurance Committee based on their review and scrutiny.

Statement of Responsibilities of the Board

The Audit & Risk Committee met regularly through the year to discharge its delegated responsibilities as set out in the agreed terms of reference. Specifically, in the year, the Committee has:

- Overseen the implementation of the internal audit plan
- Met with and considered the reports of external auditors, reviewed the financial statements, and monitored management action in response to issues raised
- Supported the Board to scrutinise financial and operational performance including a robust business planning and stress testing process is in place
- Reviewed strategic risks quarterly
- Considered our approach to cyber security
- Commissioned an independent review of Plus Dane's approach to rent setting

Annual General Meeting

A governance review concluded in March 2023 led by the Chair of the Board. The review looked at our committee architecture to support Plus Dane to discharge its fiduciary responsibilities but also have a clearer focus on the future. The Board were also keen to make sure colleague and customer voices were an integral part of the decision-making process. The review was implemented from April 2023 with a suite of key governance documents updated to reflect the outcome of the review. This included a review of the Rules of Association which has included provision to dispense of annual general meetings. The Board resolved to dispense with annual general meetings on 25 May 2023.

Auditors

A resolution to reappoint BDO as external auditors was accepted at the July 2023 Board meeting. The Directors Report was approved on 30 August 2023 and signed on its behalf by:

Alison Horner
Company Secretary

strategic report

Background

Plus Dane Housing is a long-standing provider of homes and services that has operated for over 40 years in several different forms across Merseyside and Cheshire. Plus Dane delivers services to over 13,000 homes and employs over 600 colleagues.

Figure 6 Plus Dane chief executive, Ian Reed, outside a home in the flagship Welsh Streets regeneration.

Vision & values

Our ambition is to *tackle social inequality by enabling individuals and communities to thrive.*

Our 2021-2024 Corporate Plan was developed against the backdrop of one of the most challenging years in recent history that has resulted in impending financial and economic crisis, ongoing austerity and funding cuts, and rapidly changing government thinking.

Our Board is clear about the roles Plus Dane will play in effecting social change and the direction in which we are heading which is made clear through our ambition.

To support this, we have five strategic objectives:

Performance

All our activity is measured against our strategic objectives. This year we:

COVID

- Delivered the cost-of-living task & finish group, agreeing an action plan for future delivery
- Agreed to retire this corporate objective for the final year of the corporate plan

Customer Experience

- Implemented a new communication system to enhance the way we deal with customer contacts which has included:
  - Launching our first customer portal so customers can access information about their tenancy and repairs 24/7. Since its launch in February, we have seen 10k sessions on the portal where customers are logging in to access their information including updating their personal details and downloading rent statements
  - Implementing a new telephony system which will transform our contact handling processes
  - Identifying avoidable contacts so we can develop plans and processes to reduce wasted contacts
- Supported 637 customers through our hardship fund
- Supported 75 customers with employment, training or development opportunities
- Over 10% of lettings were to applicants that were homeless or in true housing need (highest priority)
- Delivered a task force to improve our handling of disrepair cases
- Experienced an increase in requests for welfare report from 1282 in 2021/22 to 1653 in 2022/23 (+371)

Locality Working

- Agreed an approach to locality planning, launching our first plan in Pinehurst, Liverpool
- Built 148 new homes with a further 428 currently on site
- Delivered less than the £42m development budget due to delays in being able to bring sites forward to start on site
- Identified homes most likely to be prevalent to damp and mould so that we can deliver a more proactive service
- Invested over £1m in retrofit works as part of the Social Housing Decarbonisation Fund which will see homes become more energy efficient for those living in them

Sustainable Organisation

- Agreed our approach to environmental, social and governance reporting
- Completed the exit from the defined pensions schemes
- Implemented a bank review to move the restrictive MRI covenants from our loan agreements, with for the covenant removed from the final agreement in Q1 23/24
- Approved a new committee structure to strengthen our approach to governance
- Achieved RoSPA Gold for the fourth consecutive year
- Increased our repairs & maintenance spend due to inflationary pressures

Colleague Experience

- Delivered year two of our People Strategy
- Created a baseline of EDI activity to help deliver a clear vision
- Held our first colleague conference since 2019

The Board and Management have agreed a Performance Management Framework which is part of our approach to Business Assurance. Board consider performance quarterly, benchmarking against an agreed comparator group and approve annual corporate and operational targets. Key operational performance highlights for 2022/23 include:

Financial Health

Financial Health	March 2022	March 2023		
		Target	Actual	Achieved
Turnover	£77.8m	£82.3m	£84.7m	★
Operating margin	19.6%	15.6%	8.2%	▲
Net surplus	£7.7m	£2.2m	(£4.4m)	▲
Gearing	48.2%	46.9%	51.4%	▲

Income has exceeded target assisted by sales of homes outperforming our sales programme, demonstrating that the demand for affordable new homes is still significant in such a difficult economic climate.

Operating margin and surplus outcome was expected after the decision to exit from the defined benefit pension scheme was taken. Crystallisation of the debts associated has adversely impacted these results. The comparative underlying overall margin is 19.5% when the impact of the pension cessation is excluded; this exceeds the target set in a year with a challenging cost base.

Customer Experience

Customer experience	March 2022	March 2023		
		Target	Actual	Achieved
Customer net promoter score	9.88	12	34.60	★
Customer effort score	76.8	80	76.52	▲
Tenancy turnover - 24 months	22.1%	24.11%	24.29%	★
Views are listened to and acted upon	67.9%	65%	60%	▲
Good value for rent and service charge	73.7%	73%	N/A	N/A

In preparation for the introduction of RSH's Tenant Satisfaction Measures (TSM's) we undertook a pilot between January and March 2023 using the new measures. This impacted on three indicators on the above scorecard. The data from 2022 and targets were based on the original methodology.

The question posed to customers regarding Plus Dane listening to and acted upon also changed as part of the TSM pilots, whilst there is a similar question in the TSMs to ensure consistency in reporting, the yearend position for the old methodology was 70.97% which achieved target. The rent providing value for money metric is removed in line with TSM questions.

We are pleased with our customer net promoter score and recognise the challenges presented with a new methodology. We look forward to working with our Customer Assurance Panel through the year to review TSM data and identify ways we can improve.

In April 2023 we launched a complaint task force to respond to performance around views being taken into account and also the number of complaints upheld which both indicate there maybe service delivery issues that need to be addressed. Issues that the task force identify will be resolved through delivery of an improvement plan.

In 2022/23, we started on the journey of supporting a better customer experience as detailed earlier under delivery of our customer experience corporate objective.

Business Effectiveness

Business effectiveness	March 2022	March 2023		
		Target	Actual	Achieved
Tenancy turnover	6%	6%	5.54	★
Homes occupied	97%	97%	97.95	★
Income collection	100.0%	100%	99.43	▲
Complaints upheld	70.6%	56.67%	79.24	▲
Safe homes compliance	99.8%	100%	99.22	▲
Decent homes	100.0%	100%	99.87	▲

Tenancy turnover and homes occupied performed well in year; largely driven by lower-than-expected empty homes and a re-let time of 30 days.

Income collection has dipped which has been impacted by the challenging economic climate we work in; our customers are more likely to feel the strains of increased cost of living than any other tenure. We increased our capacity to be able to support customers through the year through emergency support. We accept that 2023/24 will be another challenging year as the impact of the rent cap and rising utility costs affect the cost of rent and service charges. We will continue to offer advice, support and early intervention for those customers that fall into arrears or are struggling to manage existing debt.

Safe homes compliance target was also marginally missed; we place huge emphasis on the health and safety of our customers with work underway to ensure that we gain access to homes to complete checks and works to keep people safe. Access continues to be a challenge with performance out of target driven by a small number of landlord gas safety records, electrical inspections and lift servicing all falling out of target. Fire risk assessment actions continue to be a focus for us. In year, regulations changed regarding homes requiring Carbon Monoxide protection. At the end of the year almost 80% have benefited from the protection and we have targeted 30 June 2023 for 100% performance in this area. All other safety measures were met.

Compliance reporting has strengthened in year with a focus in 2023/24 on improving access arrangements by identifying individuals or groups that consistently struggle to give us access for essential compliance works.

16 homes were outside of the decent homes standard at year end with a target for all works to be completed by 30 June 2023.

Colleague Experience

Colleague experience	March 2022	March 2023		
		Target	Actual	Achieved
Colleague net promoter score	65	82	73	▲
Absence percentage	4.74%	4	4.59	▲
Colleague turnover	9.49%	9.3	15.98	▲
Colleagues feel their views are listened to and acted on	52.92%	80	50	▲
Colleagues understand what Plus Dane is trying to achieve	79.00%	90	81	▲

The level of colleague turnover reflects the national picture. Labour turnover nationally increased in 2022 (a recently published sector report from Autumn 22 based on 29 registered providers indicates turnover at 17% with voluntary turnover at 13%). The internal factor that has contributed includes the conclusion of the pensions review in July 2022. A comprehensive exit interview process has been introduced to gain robust insight from leavers. Focus is being given to increase the numbers of leavers opting into an interview. Primary reasons for leaving relate to progression/promotion and salary.

Opportunities to retain and promote internal talent have been actively pursued with internal applicants being 10 times more likely than external applicants to be appointed to a role (just over 30% of internal applicants were successfully appointed against 3% of external applicants).

The 2023 colleague survey seen an 18% increase in belief in action from 2022. This substantial improvement in performance is reflected in the above results with our ambitious targets for in year growth not being met. Engagement levels are high with great improvements since the 2022 census.

We continue to implement our People Strategy and deliver our Leadership Pledges which we agreed with colleagues following the 2022 colleague survey results.

Governance and regulation

In 2022/23 Plus Dane's governance architecture includes a skills-based Board of up to 12 members and four committees. The Rules of Association permit the Board, through a clear framework, to delegate activity to its committees which were:

- Audit & Risk
- People & Governance
- Property
- Neighbourhood

The Board and committees have terms of references reviewed annually alongside their assessment of their effectiveness. A governance review is undertaken triennially; a review began in 2022 and concluded in 2023. The structure introduced from April 2023 is:

- Audit & Assurance - ensuring fiduciary arrangements are in place for audit, finance, health & safety and compliance
- Purpose - a strategic insight to support Plus Dane to deliver its social purpose ensuring good quality homes and services
- Foresight - a generative committee supporting Plus Dane to manage risks, ensure a positive organisational culture and support delivery of innovation

The Board consider annually compliance with the Regulator of Social Housing's (RSH) economic and consumer standards. Plus Dane maintained the highest regulatory rating, G1 for Governance, however in December 2022 the viability rating was regraded to V2.

RSH has assurance that Plus Dane complies with the financial viability elements of the Governance and Financial Viability Standard and that its financial plans are consistent with, and support, our financial strategy. Plus Dane has an adequately funded business plan, sufficient security, and is forecast to continue to meet our financial covenants. However, a drive to increase investment in our existing homes, completion of backlog works due to the Covid pandemic, and considering of cost inflation increases to maintenance and major repairs was a factor in RSH considering our position to respond meaning a regrade was completed.

Plus Dane maintains positive and transparent relations with RSH, as well as completing our relevant regulatory returns, and in the spirit of co-regulation, we have also talked to RSH this year about a local press article about the condition of a customer's home and a tragic fatality through a house fire in one of our homes - the RSH was satisfied with Plus Dane's response in both cases with no further action or breach of regulatory standards. We have also kept RSH apprised of the finalisation of our pension strategy and its impact on these financial statements.

Principle risks and uncertainties

Plus Dane is committed to a risk management approach that is integral to the strategic planning process. The Risk Management Framework is dynamic to ensure that it reflects the Board's risk appetite and protects the financial viability and governance of Plus Dane. This framework supports the assessment, analysis and treatment of risk and the documenting of internal controls to provide assurance that risks are managed effectively. The Board has an agreed risk appetite which is considered in all decision-making processes so that they are clear how or if the decision aligns to risk appetite.

The Risk map details the key risks that impact our strategic objectives. The risk map was reviewed on a quarterly basis by Audit and Risk Committee and the Board. The Board also receive an annual risk report. Risk and assurance is a standard item on all Board and Committee papers and Executive Management Team meetings.

As part of the business plan approval process, Board conducted several multi-variate stress tests and as a result detailed the Board's response to the crystallisation of single and multiple risks. This ensures that Board better understand what stresses and combinations of stresses could put our business at risk, that they have rehearsed a range of difficult decisions, and have developed a detailed contingency plan.

During the year all strategic risks were reviewed and in line with the Regulator's Sector Risk Profile, the following are identified as key strategic risks for this year and suitable risk reduction strategies were implemented:

Strategic Risk 05: Failure to provide quality homes

Providing quality homes is our core business and investing in the homes is a key priority. The external scrutiny of housing conditions and the inflationary impact on material costs are external factors which have impacted our service delivery. When developing the budget and business plan focus has been to create capacity to continue to invest in existing homes and reduce the need for responsive repairs.

A review of stock condition data and our asset management arrangements continues to ensure that investment in homes is managed and prioritised. During the year a damp and mould task and finish group was established to review our approach, this resulted in a damp and mould protocol being established, a three-tier training programme to ensure colleagues have the appropriate skills and knowledge with improved monitoring in our systems. Appointment priorities are agreed and follow up inspections completed.

Strategic Risk 06: Finances are not managed

To be a sustainable organisation Plus Dane must be able to raise funds to deliver our objectives, alongside meeting covenant requirements of funders. Our Treasury Policy sets out the minimum requirements needed to manage liquidity risk. Liquidity during the year was maintained above the required limit. Plus Dane produces a forward look to Board quarterly which shows that new funding will not be required until the end of Q2, 2025-26, having secured a Private Placement and an extension of a revolving credit facility for the next 5 years as part of our overall treasury strategy.

Interest rate risk is managed through our treasury arrangements which require 50% - 90% of loans to be fixed and the two-year forecast shows that risk will be managed within our policy guidelines.

The budget and business plan are approved annually and supported by quarterly forecasting and an agreed set of Golden Rules set out limits for managing finances. Improvements in financial reporting and budget monitoring have been made during the year. The Leadership Team continue to review management accounts on a monthly basis and financial controls are tested twice yearly through internal audit.

Strategic Risk 10: Failure to manage rent collection

Plus Dane recognises that rising inflation costs and the increased cost of living has its impacts. Concerns regarding the economy and the increased cost of living resulted in the Board establishing a task and finish group. An agreed action plan was approved which has resulted in revised policies and processes along with promotion of support from our welfare support team and partner agencies.

Income and finances is reported quarterly to Board. A deep dive was completed during the year on our current and former tenant arrears and reported to our Neighbourhood Committee, work is ongoing to review our Income policy and processes to ensure action Is taken where appropriate and our customers are signposted and supported where needed.

Strategic Risk 19: Development programme is not delivered

We have a cautious risk appetite towards increasing the number of new homes and aim to increase the supply of affordable homes. Plus Dane recognises that this ambition must be considered and balanced to ensure the development plan does not impact our sustainability which has resulted in a new a new set of assumptions being approved by Board.

The current scheme costs are contained within the business plan. Each scheme is approved with a 5% contingency to support any unknowns arising in the management of schemes. Any variances are subject to scrutiny by Plus Dane and our employer's agent for own build schemes. A value for money assessment is also made before each scheme is approved and each scheme has an individual risk map.

Our Board receive quarterly reports on the development plan which includes financial performance, variances and grant information, scheme progress and customer satisfaction with our new homes.

The economic environment brings challenges for the development programme. To monitor and manage development contractor risk, our consortium arrangements have regular meetings which consider this. Additional training is planned with our development team to ensure that we are able to recognise possible contractor insolvency at the early stages.

Strategic Risk 16: IT systems and infrastructure do not support the needs of the business

Significant investment has been made which has resulted in improvements during the year in our IT infrastructure including several third-party assurance checks. We have delivered the first year of our digital strategy of ensuring stable foundations, improving wireless access points in our offices and introducing SD Wan in our Supported Schemes providing more robust and reliable connections.

Plus Dane recognises the increasing cyber risk and have taken steps which support our prevention and responses to the risk. Our Executive Management Team and Audit & Risk Committee have received regular updates on progress.

Our Business Intelligence Project has made good progress during the year and resulted in a Data Governance Framework being approved. This framework sets out our business rules, processes, roles, and responsibilities that ensure data is accurate, readily available, usable, useful, and secure across the organisation. It provides a strategic structure which gives the tools and techniques necessary to provide assurance that data can be trusted, provide clarity of ownership of data and sets out what good quality data looks like.

The launch of our customer portal has given our customers the opportunity to engage digitally by accessing rent statements, reporting repairs and updating information. The roll out of a new telephony system has improved system stability and introduced new functions and other social media channels.

Strategic Risk 17: Failure to understand, plan for, resource, and implement net zero carbon

The Board is acutely aware of its requirements to deliver an approach to net zero carbon. A strategic project has been established and will need to balance both short and long-term priorities. We understand our housing portfolio and the challenge for them to achieve net zero by 2050. EPC ratings can be calculated for over 90% of our homes which will help drive our asset management strategy.

During the year we have implemented new energy data modelling software which assist us in reporting our emissions performance, to identify our priority homes and support customers that may be at risk of fuel poverty.

Our first schemes funded through Social Housing Decarbonisation Fund are concluding and further funding has been secured for 2023-2025 and provided for in our business plan. These schemes will address the fabric of and heating in some of our older homes or those that are ‘off gas’.

Strategic Risk 14: Health & safety and landlord compliance

Health & safety continues to be a closely managed risk with Board and Committees reviewing performance quarterly. We successfully retained our Gold RoSPA Health and Safety Award by the Royal Society for the Prevention of Accidents for the fourth year running which recognises our commitment to keeping our customers and colleagues safe. Substantial assurance was achieved in the 2022 health & safety internal audit.

Building safety and landlord compliance was a key focus with quarterly reporting to Property Committee on progress on the key areas of fire safety, electrical safety, lift safety, gas safety, asbestos management and legionella, monitoring has been extended to fire doors in line with changes in building legislation. Landlord compliance is tested annually through internal audit.

Value for money

RSH requires Registered Providers to demonstrate a robust approach to achieving value for money (VfM), underpinned by clear and informed decision making that is owned by the Board.

Plus Dane’s approach defines VfM as the relationship between effectiveness, efficiency and economy; the aim being to ensure a good balance between all three - achieving high productivity and outcomes from our cost base. We strive to embed value for money in the way that the business operates on a day-to-day basis and is not a stand-alone project.

To provide transparency in how Plus Dane is achieving VfM, a peer group of other Registered Providers has been selected to compare performance against. This group is defined as operating within a similar geographical location (North West or Midlands region) owning and or managing a similar number of homes as Plus Dane (ranging between 10,000 to 20,000) with stock similarity > 70% and turnover between £50m - £250m.

Core Metric	Purpose	2023 Target	2023 Actual	Achieved	2021/22 Plus Dane Perf.	2021/22 Peer Group Perf.	2024 Plus Dane Target
Reinvestment	Measures investment in existing and new stock	7.3%	6.5%	▲	4.5%	8.0%	7.5%
New Supply Delivered - Social Housing	Number of new homes as a proportion of total homes	1.1%	1.1%	★	1.1%	1.4%	1.1%
New Supply Delivered - Non-Social Housing	Number of new non-social homes as a proportion of total homes	0.0%	0.0%	-	0.0%	0.0%	0.0%
Gearing	Measures degree of dependence upon debt finance	46.9%	51.4%	▲	48.2%	47.7%	54.6%
EBITDA MRI	Measures liquidity. Adjusts surplus for capitalised major repairs & depreciation. Measures the surplus generated compared to interest charge	128.3%	43.9%*	▲	142.7%	115.5%	50.4%
Social Housing Cost Per Unit	Measures the economy of costs	£3,883	£5,141	▲	£4,115	£4,031	£5,390
Operating Margin - Overall	Excludes gain/loss on sale of Fixed assets	15.6%	8.2%*	▲	19.6%	14.2%	20.7%
Operating Margin - Social Housing	Measures efficiency of operating assets	24.9%	17.5%*	▲	27.9%	19.9%	29.1%
ROCE	Measures efficiency of investment of capital resources	1.9%	1.3%*	▲	3.2%	3.1%	2.7%

* Denotes metrics that have been impacted by the conscious decision to exit from MPF and CPF defined benefit pension schemes. Comparable ratios have been given in the narrative below.

Metric 1 Reinvestment %

Reinvestment performance improved compared to the previous year however the recovery from the pandemic continues to be slower than anticipated due to a number of factors including increased pressure on external contractor rates, materials and other inflationary pressures. Plus Dane is reviewing its approach to asset management to ensure reinvestment plans are delivered and responsive repairs reduce. This focus is reflected in the 2023/24 target set at 7.5%.

Metric 2 New Supply Delivered %

Plus Dane built 148 homes in the year to 31 March 2023 from an initial budget position of 142. The year-end completions comprised 94 rented (63%) and 54 (37%) shared ownership. Of the 94 rented, 70 were affordable homes let through Plus Dane's lettings policy and 24 were rent to buy properties. The purpose of our development program is to increase the supply of affordable homes whether that be by freeing up supply to allow those that cannot purchase on the open market to access affordable home ownership products or supporting those in need to access social housing. Over 60% of the affordable lets were to either overcrowded or homeless/potentially homeless cases.

Metric 3 Gearing %

Gearing has marginally surpassed Plus Dane's target for the year, following progress made by treasury in the year. This includes the extension of a £70m revolving credit facility with Santander for 5 years and receipt of the final £50m of a total £150m private placement facility arranged in 2022. A refinancing exercise will be undertaken before the end of 2025 to facilitate ongoing development for Plus Dane, although for 2023/24, emphasis will be on fixing and securing current facilities.

Metric 4 EBITDA (MRI) Interest Cover %

While EBITDA MRI Interest Cover has significantly reduced year on year and falls far short of target, this was a calculated decision and shows the impact of Plus Dane's decision to exit a defined benefit pension scheme in July 2022. Excluding the pension impact, underlying EBITDA MRI for the year was 113.8% which is still a decrease year on year and versus target but reflects the drawdown of the private placement and increases to rates impacting finance costs adversely. Increased interest payable on existing debts in the wake of rising interest rates should be mitigated by way of a hedging strategy and fixing of debts.

EBITDA MRI for the coming year is 50.4% which remains significantly lower than previous years but is not a cause for concern. This is representative of Plus Dane's commitment to major capital repairs coupled with high expected interest rates payable on debt.

Metric 5 Headline Social Housing Cost Per Unit (£)

Cost per unit continued to exceed target in FY23, as in FY22, owing to unprecedented CPI and the impact on materials and labour costs. Repairs and reinvestment in housing stock is still a high priority and this is reflected in the increased cost per unit target for FY24.

Metric 6 Operating Margin %

Overall operating margin was considerably lower than prior year and fell short of target, although this outcome was expected after the decision to exit from the defined benefit pension scheme was taken. Crystallisation of the debts associated has adversely impacted this margin. The comparative underlying overall margin is 19.5% when the impact of the pension cessation is excluded; this exceeds the target set in a year with a challenging cost base.

The operating margin for social housing lettings includes a smaller pension impact (limited to staff directly attributable to this section of the organisation) and is healthier at 17.5% albeit lower than prior year with the pressure from operating costs increasing year on year. The underlying comparator excluding pension cessation is 24.5% against a target of 24.9%.

Metric 7 Return on Capital Employed

Plus Dane's ROCE is another metric impacted by the decision to transact the pension cessation and while target has been missed, this is largely due to the impact on operating surplus of the crystallised cessation debt. With pension cessation excluded, underlying ROCE is 2.6% which exceeds the target set for the year. The target for FY24 is reasonable and reflects Plus Dane's ambition to focus on repairs and reinvestment.

One of our aims is to continue to be customer focussed and to strengthen the customer voice in all we do. It is vitally important that our ambition in providing quality and efficient services is based on a shared and greater understanding of our cost base, how that links to improvement and innovation that adds value, and that genuine efficiencies are delivered without detriment to service provision, ultimately leading to better outcomes. By embedding economy, efficiency and effectiveness throughout all we do in setting out our current performance and future aspirations we aim to be accountable to our tenants and customers, Board, our Regulator and wider stakeholders.

In the year to March 2023, Plus Dane set out to deliver increased value for its tenants via several significant programmes and reviews. Firstly, the tender of a new strategic partner was undertaken and at the time of writing this report, mobilisation is underway following a competitive and value focused tender. Next, Plus Dane committed to rolling out a new customer portal to give greater self-service functionality to tenants and customers, making it easier to deal with Plus Dane and to reduce avoidable contacts. This was completed in quarter 1 2023/24. Finally, significant work on the treasury strategy has been completed with all bar one facility altered or replaced to remove a prohibitive MRI covenant within the funding agreements; this means that Plus Dane can undertake more value added major repairs which will improve the customer experience.

Looking forward to 2024, long term sustainability remains at the fore. The asset strategy is taking centre stage, being developed in such a way as to ensure that repairs and reinvestment keep customers in safe and decent homes, whilst not losing sight of the longer term goals of achieving EPC C rating in all units by 2030 and Net Zero by 2050. The treasury strategy will be further developed against the latest long-term business plan and will incorporate a plan for hedging to protect Plus Dane from the interest rate risks that its debt is exposed to. Void properties will also remain high on the list of priorities, ensuring that savings can be achieved on works to empty homes. Profitability of Plus Dane's non-social units and other commercial offerings will also be considered throughout the year to ensure that best value is achieved.

Our ultimate aim in delivering long term sustainability is to ensure we can achieve our vision of reducing inequality for both individuals and communities.

Treasury management

There is a robust Treasury Strategy in place which addresses interest rate risk, covenant compliance, funding and liquidity risk and exposure to counterparties. The Treasury Policy is reviewed annually and is approved by the Board. It includes the following approved instruments: instant access deposit accounts, fixed term deposits, call deposits, collateral deposits, money market fund investments and UK Government securities. The Treasury Policy recommends that between 50% and 90% of the organisation's debt should be fixed. Cashflow is also monitored to ensure that a minimum of 18 months' cash requirements are funded as prescribed by Homes England.

Management of the loan portfolio is the responsibility of the Deputy Chief Executive and the Director of Finance and is managed in accordance with the Treasury Management Strategy and Policy. Plus Dane Housing Limited borrows at both fixed and floating interest rates. Quarterly updates on treasury activity were provided to the Audit and Risk Committee and the Board, as part of the overall Finance Report.

The Group does not make use of hedging instruments other than to fix variable rate debt either at the time of drawdown or following a review of the loan portfolio and market conditions however plan to do this with the agreement to deliver an ISDA.

A bank review commenced in 2022/23, with actions finalised in quarter 1 2023/24. The aim was to completely remove the restrictive MRI calculation from our interest cover covenants allowing us to respond to the challenges of increased investment in homes and decarbonisation.

Investment Powers

Plus Dane Housing Limited's rules permit investment of monies not immediately required to carry out its objectives, as it determines and is permitted by law.

Capital structure and treasury policy

Plus Dane Housing has a mixed borrowing portfolio of both capital and bank funded debt, at both fixed and floating rates of interest, and only in sterling so is not exposed to currency risk. Total borrowings as at 31 March 2023 were £376.6 million (2022: £305.3 million). The fixed rate loans account for approximately 53.2% of the total borrowing, in line with the treasury policy. The movement in loans year on year represents net loan repayments, in line with required schedules as well as fully repaying the Barclays Facility to remove restrictive covenants from Plus Dane's portfolio. Cash balances at the end of the year stood at £42.1m (2022: £1.7m) the large year-end balance is due to the receipt of the final tranche of Private placement fund (£50m) coming into the account on the 30 March with the residual balance on the Santander RCF being repaid.

Interest costs increased to £13.3m (2022: £8.8m), and the overall Weighted Average Cost of Capital (WACC) also increased to 3.7% (2022: 2.8%). Plus Dane Housing has total facilities of £446m, (2022: 506m) after the removal Barclays and maturity of the NatWest RCF in November 22, with £70m (2022: £200.8m) of unutilised committed borrowing facilities. The maturity of the Group's borrowings is detailed in note 22 of the financial statements. The Group is subject to a range of covenants through its loan agreements, which vary between lenders work is continuing to align of covenants with each portfolio. For the financial year 2022/23, the Group has complied with all covenants.

Our Board has confirmed there is no change in overall direction for Plus Dane, just a continuum of our journey, while also remaining agile to reflect economic uncertainty and the changes that this could bring in our external operating environment and for our tenants.

Statement of compliance

In preparing this Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice for registered social housing providers (2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Going concern

Plus Dane's business activities, its current financial position and factors likely to affect its future development are set out within this Report.

The group has a strong Balance Sheet, with net assets of £81.2m.

Despite the continuing economic pressures, Plus Dane were on track to deliver a surplus however the decision to fulfil the termination date in 2022/23 for the Cheshire and Merseyside Pension Funds meant an overall deficit was recorded.

Plus Dane Board agreed its pension strategy in 2021; exit from both schemes was delivered on 31 July 2022 with the final termination dates being delivered in February and March 2023. The reduction in debt from the 2021 strategy start position meant the Board decided to repay the debt in full on the basis that cashflow was strong enough to do so. There will be no ongoing liabilities for either scheme from 1 April 2023, that this was a one-off event aligned to Board strategy.

The preparation of a robust business plan (approved by Board in May 2023), supported by a strong suite of stress tests and associated mitigation plans shows that there are no liquidity concerns. All covenants will be met, and it is appropriate to continue to adopt the going concern basis within the financial statements.

Actual results delivered this year support the delivery of the approved budget giving comfort that there are no going concern issues within the business. Annual forecasts are updated quarterly across all income, expenditure and capital areas provide further reassurance to the liquidity of Plus Dane. These are reviewed at Leadership, Executive and Board level.

There is a current headroom of £70.0m (31 March 2023) on undrawn loans and work will begin to look at future finance opportunities to provide further certainty over liquidity.

After making enquiries the Board has a reasonable expectation that Plus Dane Housing 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.

Alison Horner
Company Secretary 31 August 2023

Independent auditors' report

to the Members of Plus Dane Housing Limited for the year ended 31 March 2023

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 Company's affairs as at 31 March 2023 and of the Group and the Company'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 2022.

We have audited the financial statements of Plus Dane Housing Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in reserves, the consolidated cashflow 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 are independent of the Group and Company 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 and of the Company'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 Directors are responsible for the other information. The other information comprises the information included in the report of the board other than the financial statements and our auditor's report thereon. 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 Strategic Report, Report of the Board of Management, Statement of the Boards Responsibilities for the Report and Financial Statements 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 or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent company; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of board

As explained more fully in the board members responsibilities statement, 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 Group and the Company'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 Group or the Company 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.

Based on our understanding and accumulated knowledge of the Group and parent company, and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the fair value of investment properties, the useful economic lives of tangible fixed assets, recoverability of balances outstanding as at year end and the defined benefit pension liability;
- discussions with, and inquiries of, management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

- enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- identifying and testing journal entries identified as potentially unusual, in particular considering whether there any journal entries posted by staff members with privileged access rights or key management;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing; and
- Completing substantive procedures depending on revenue stream to ensure revenue has been included within the appropriate accounting period

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: https://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 Company, 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 Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

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

group and association statements of comprehensive income

		Group		Association	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Turnover: Group		**84,683**	77,816	**84,683**	77,816
Group turnover	3	**84,683**	77,816	**84,683**	77,816
Operating costs	3	**(72,723)**	(59,129)	**(72,716)**	(59,118)
Cost of Sales	3	**(5,034)**	(3,457)	**(5,034)**	(3,457)
Surplus on sale of fixed assets	3	**1,742**	1,714	**1,742**	1,714
Total operating surplus	9	**8,668**	16,944	**8,675**	16,955
Interest receivable	7	**373**	9	**373**	9
Interest payable and similar charges	8	**(13,259)**	(8,864)	**(13,259)**	(8,864)
Other finance costs	6	**(206)**	(442)	**(206)**	(442)
(Loss)/Surplus on ordinary activities before tax		**(4,424)**	7,647	**(4,417)**	7,658
Tax on surplus on ordinary activities	11	**-**	-	**-**	-
(Loss)/Surplus for the year		**(4,424)**	7,647	**(4,417)**	7,658
Actuarial (loss) / gain in respect of pension schemes	6	**11,124**	10,149	**11,124**	10,149
Total comprehensive income		**6,700**	17,796	**6,707**	17,807

The financial statements were approved by the Board and signed on its behalf on 30 August 2023.

Sir Peter Fahy
Chair

Gary Dixon
Board Member

Alison Horner
Company Secretary

The accompanying notes form part of these financial statements.

group and association statements of changes in reserves

Group

	£
Balance as at 31 March 2021 (Restated)	**56,745**
Total comprehensive income	
Surplus for the year	7,647
Actuarial gain/(loss) in respect of pension schemes	10,149
Balance as at 31 March 2022	**74,541**
Total comprehensive income	
Surplus for the year	(4,424)
Actuarial gain/(loss) in respect of pension schemes	11,124
Balance as at 31 March 2023	**81,241**

Association

	£
Balance as at 31 March 2021 (Restated)	**57,142**
Total comprehensive income	
Surplus for the year	7,658
Actuarial gain/(loss) in respect of pension schemes	10,149
Balance as at 31 March 2022	**74,949**
Total comprehensive income	
Surplus for the year	(4,417)
Actuarial gain/(loss) in respect of pension schemes	11,124
Balance as at 31 March 2023	**81,656**

Reserves opening balances have been restated. Further information can be found in Note 33.

group and association statement of financial position

	Note	Group 2023	Group 2022 (As restated)	Association 2023	Association 2022 (As restated)
		£'000	£'000	£'000	£'000
Fixed assets					
Housing properties	12	649,424	628,000	649,858	628,434
Investment properties	13	680	761	680	761
Other fixed assets	14	4,235	4,486	4,235	4,486
Homebuy Loans Receivable		942	1,004	942	1,004
		655,281	634,251	655,715	634,685
Debtors: due after one year	19	4,423	4,613	4,423	4,613
Current assets					
Stock	17	78	172	78	172
Properties for sale	18	4,359	4,107	4,359	4,107
Trade & other debtors due within a year	19	5,651	5,508	5,659	5,509
Cash and cash equivalents		47,354	1,708	47,316	1,670
		57,442	11,495	57,412	11,458
Creditors: falling due within a year	21	(24,975)	(128,164)	(24,964)	(128,153)
Net current liabilities		32,467	(116,669)	32,448	(116,695)
Total assets less current liabilities		692,171	522,195	692,586	522,603
Creditors: due after more than a year	22	(608,772)	(435,745)	(608,772)	(435,745)
Provisions for liabilities					
Net pension liability	6	(2,158)	(11,909)	(2,158)	(11,909)
Total net assets		81,241	74,541	81,656	74,949
Capital and reserves					
Non-equity share capital	26	-	-	-	-
Revenue reserve		81,241	74,541	81,656	74,949
Total reserves		81,241	74,541	81,656	74,949

2022 closing balances have been restated. Further information can be found in note 33.

These financial statements were approved by the Board and signed on its behalf on 31 August 2023.

Sir. Peter Fahy

Chair

Gary Dixon

Board Member

Alison Horner

Company Secretary

The accompanying notes form part of these financial statements.

group cash flow statement

	Note	2023		2022 Restated	
		£'000	**£'000**	£'000	£'000
Net cash generated from operating activities	**26**		**17,610**		24,106
Cash flow from investing activities					
Purchase of tangible fixed assets		**(35,854)**		(27,443)	
Proceeds from sale of tangible fixed assets		**4,036**		3,929	
Grants received		**1,969**		8,412	
Homebuy loans repaid		**62**		113	
Lease Asset Capital Receipts		**195**		183	
Interest received		**373**		9	
			(29,219)		(14,797)
Cash flow from financing activities					
Interest paid		**(14,053)**		(9,116)	
Repayment of borrowings		**(123,693)**		(67,222)	
Drawdown of borrowings		**195,000**		67,150	
			57,254		(9,188)
Net change in cash and cash equivalents			**45,646**		122
Cash and cash equivalents at beginning of the year			**1,708**		1,586
Cash and cash equivalents at end of the year	**27**		**47,354**		1,708

The cash flow statement has been restated for 2022 following identification of errors in the sums reported between operating, investing and financing cash flows. The combined impact to the overall cash movement of the adjustment is nil. Further information can be found in Note 33 to the accounts.

The accompanying notes form part of these financial statements.

notes to the financial statements

1 Legal status

Plus Dane Housing Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a housing provider.

Plus Dane Housing Limited is a public benefit entity, whose primary objective is to provide goods or services to the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

2 Principal accounting policies

Basis of Accounting

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

The financial statements are presented in Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis.

The group has a strong Balance Sheet, with net assets of £81.2m (2022: £74.5m).

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The group has in place long-term debt facilities (including £70.0m of undrawn facilities at 31 March 2023), which provide adequate resources to finance committed reinvestment and development programmes, along with the group's day to day operations. The group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

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

Significant judgements and estimates

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

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

1. Supporting people

Management judgement is applied in determining the extent to which the risks and benefits are transferred to Plus Dane Housing when considering the Income to be recognised.

2. Categorisation of housing properties

The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals.

3. Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. The Group has relied on an external valuation of its investment properties as at 31 March. The group are satisfied that the external consultant has estimated a reasonable fair value.

4. Impairment

The Group continually assess whether an indicator of impairment exists. If an indicator exists, the group perform an impairment assessment at property scheme level by comparing the asset's carrying value to the recoverable amount. Indicators of impairment are examples of the following: Change in government policy, regulation or legislation, a change in demand of the properties or a material reduction in market values. Any impairment provisions are charged to the statement of comprehensive income.

5. Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required.

6. 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 below. Actual results may be substantially different.

1. 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.

2. 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 6).

Basis of consolidation

The group accounts consolidate the accounts of Plus Dane Housing Limited and all its subsidiaries at 31 March 2023 using the acquisition method.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Plus Dane Housing Limited and 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.

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

Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services 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.

Service charges

Service charge income and costs are recognised on an accruals basis. Plus Dane operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge.

Taxation

Plus Dane Housing Limited is a Registered Society incorporated under the Co- operative and Community Benefit Societies Act 2014. It is registered with the Regulator of Social Housing as a

Registered Provider of social housing as defined by the Housing and Regeneration Act 2008. The tax expense for the period comprises current and deferred tax. Tax is recognised in income and expenditure, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted.

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 asset.

Interest Payable

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

1. Interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
2. a fair amount of interest on borrowings of Plus Dane Housing Limited as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to income and expenditure in the year.

Home Buy Loans [including Mortgage Rescue and Shared Equity Schemes]

Home Buy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect any accrued interest. Any impairment loss is recognised in income and expenditure to the extent that it cannot be offset against the Home Buy grant. The associated Home Buy grant is recognised as deferred income until the loan is redeemed.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historical cost model.

Direct costs incurred in connection with the issue of a basic financial instrument are deducted from the proceeds of the issue. Finance interest, transaction costs and associated premium or discount are charged to the Statement of Comprehensive Income using either the effective interest rate (EIR) method or on a straight-line basis where not materially different. The EIR method spreads all associated costs over the life of the instrument by comparing the borrowing amount at initial recognition and amount at maturity. On the basis that the difference produced by the two methods is not material, these costs have been amortised on a straight-line basis in this set of financial statements.

Debtors

Short term debtors are measured at transaction price, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

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

Employee Benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Pensions

The group participates in the following funded multi-employer defined benefit scheme; the Social Housing Pension Scheme (SHPS), administered by The Pension's Trust. The scheme adopts a full FRS 102 valuation.

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 separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

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

Contributions to defined contribution pension schemes, (the Aviva Group personal pension plan and SHPS), are charged to the Statement of Comprehensive Income in the year in which they become payable.

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 and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

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.

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

Donated land & other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. The purpose of holding these assets is to generate surpluses to apply to Plus Dane Housing's charitable purposes. 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 in income and expenditure.

Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

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

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 HE. 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 in the Statement of Comprehensive Income. Upon disposal of the associated property, the group is required to recycle grant proceeds and recognise them as a liability.

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 Plus Dane Housing is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, writing-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:

Freehold land is not depreciated.

Leasehold properties are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Other tangible fixed assets

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. The principal annual rates used for other assets are:

Motor vehicles (on a reducing balance basis) 25%.

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.

Component	Years
Main structure	80
Pitched roofs	50
Flat roofs	30
Windows	30
Doors [including communal fire doors]	30
Boilers	15
Heating systems	30
Kitchens	20
Bathrooms	30
Electrics including PV panels, wind turbines & other generators	30
Septic tanks	25
Lifts	30
External joinery & cladding	25
Aids & adaptations	15

Other fixed assets	Years
Freehold office building	50
Computer hardware	5
Computer software	5
Fixtures & fittings - non technology	10
Fixtures & fittings - technology [individual asset > £1K]	3

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.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method achieving a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to income and expenditure 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.

Properties for sale

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

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Provisions for liabilities

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

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the gross salary cost payable for the period of absence.

3 [a] Turnover, cost of sales, operating costs and operating surplus

Group	2023				2022			
	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	73,798	-	(60,374)	13,424	69,929	-	(50,401)	19,528
Other social housing activities								
Development services	-	-	(7)	(7)	-	-	(6)	(6)
Supporting people contracts	792	-	(6,292)	(5,500)	768	-	(3,100)	(2,332)
Management services and other	68	-	(96)	(28)	64	-	(49)	15
Leased to others	1,166	-	(181)	985	1,018	-	(198)	820
Community regeneration	-	-	(1,583)	(1,583)	181	-	(1,204)	(1,023)
First tranche shared ownership	6,663	(5,034)	-	1,629	3,646	(3,457)	-	189
Other	174	-	(1,894)	(1,720)	170	-	(1,132)	(962)
	8,863	(5,034)	(10,053)	(6,224)	5,847	(3,457)	(5,689)	(3,299)
Surplus on sale of fixed assets				1,742	-			1,714
	8,863	(5,034)	(10,053)	(4,482)	5,847	(3,457)	(5,689)	(1,585)
Non-social housing activities								
Commercial lettings	121	-	(147)	(26)	87	-	(86)	1
Management contract	-	-	-	-	-	-	-	-
Help to Buy agency	629	-	(542)	87	1,038	-	(2,286)	(1,248)
Market rental	1,272	-	(1,530)	(258)	915	-	(667)	248
Other*	-	-	(77)	(77)	-	-	-	-
	2,022	-	(2,296)	(274)	2,040	-	(3,039)	(999)
	84,683	(5,034)	(72,723)	8,668	77,816	(3,457)	(59,129)	16,944

Operating costs of the above table include £9.6m relating to pension exit costs, further information is contained in note 6.

Association	2023				2022 (As restated)			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	**73,798**	**-**	**(60,374)**	**13,424**	69,929	-	(50,401)	19,528
Other social housing activities								
Supporting people contracts	**792**	**-**	**(6,292)**	**(5,500)**	768	-	(3,100)	(2,332)
Management services	**68**	**-**	**(96)**	**(28)**	64	-	(49)	15
Leased to others	**1,166**	**-**	**(181)**	**985**	1,018	-	(198)	820
Community regeneration	**-**	**-**	**(1,583)**	**(1,583)**	181	-	(1,204)	(1,023)
First tranche shared ownership	**6,663**	**(5,034)**	**-**	**1,629**	3,646	(3,457)	-	189
Other	**174**	**-**	**(1,894)**	**(1,720)**	170	-	(1,127)	(957)
	8,863	**(5,034)**	**(10,046)**	**(6,217)**	5,847	(3,457)	(5,678)	(3,288)
Surplus on sale of fixed assets	**-**	**-**	**-**	**1,742**	-	-	-	1,714
	8,863	**(5,034)**	**(10,046)**	**(4,475)**	5,847	(3,457)	(5,678)	(1,574)
Non-social housing activities								
Commercial Lettings	**121**	**-**	**(147)**	**(26)**	87	-	(86)	1
Management contract	**-**	**-**	**-**	**-**	-	-	-	-
Help to Buy agency	**629**	**-**	**(542)**	**87**	1,038	-	(2,286)	(1,248)
Market rental	**1,272**	**-**	**(1,530)**	**(258)**	915	-	(667)	248
Other	**-**	**-**	**(77)**	**(77)**	-	-		
	2,022	**-**	**(2,296)**	**(274)**	2,040	-	(3,039)	(999)
	84,683	**(5,034)**	**(72,716)**	**8,675**	77,816	(3,457)	(59,118)	16,955

Operating costs of the above table include £9.6m relating to pension exit costs, further information is contained in note 6.

3 [b] Income and expenditure from social housing lettings Group and Association

	General Needs housing £'000	Supported housing & housing for older people £'000	Shared ownership £'000	Total 2023 £'000	Total 2022 £'000
Rent receivable net of service charges	**59,370**	**3,566**	**2,095**	**65,031**	62,066
Service charges receivable	**2,727**	**1,262**	**211**	**4,200**	3,369
Charges for support services	**462**	**230**	**-**	**692**	684
Government Grants	**3,380**	**385**	**110**	**3,875**	3,810
Turnover from social housing lettings	**65,939**	**5,443**	**2,416**	**73,798**	69,929
Expenditure on social housing lettings					
Management	**14,015**	**395**	**1,686**	**16,096**	12,053
Services	**2,859**	**2,542**	**378**	**5,779**	4,178
Routine and planned maintenance	**18,912**	**991**	**18**	**19,921**	17,867
Major repairs expenditure	**4,419**	**256**	**-**	**4,675**	3,474
Rent losses from bad debts	**311**	**375**	**-**	**686**	230
Support services costs	**29**	**15**	**-**	**44**	125
Depreciation of housing properties	**11,933**	**868**	**372**	**13,173**	12,474
Operating costs on social housing lettings	**52,478**	**5,442**	**2,454**	**60,374**	50,401
Operating surplus on social housing lettings	**13,461**	**1**	**(38)**	**13,424**	19,528
Rent losses from voids	**426**	**155**	**2**	**583**	506

4 Accommodation in management and development Group and Association

Owned and managed by the Group	2023 Homes	2022 Homes
Social housing		
General housing:		
- Social Rent	**9,124**	9,132
- Affordable Rent	**2,580**	2,507
Supported housing		
- Social Rent	**466**	571
- Affordable Rent	**40**	40
Low cost home ownership	**744**	707
Leaseholder units	**240**	244
Total owned and managed	**13,194**	13,201
Managed for others	**235**	232
Supported housing	**161**	59
Extra Care (Belong)	**72**	72
Supported (Other Providers)	**168**	180

Total Managed by others	**401**	**311**
Non-social housing		
Market rented (Grosvenor)	**95**	95
Market rented (Owned)	**21**	21
	116	116
Total owned and in management	**13,946**	13,860
Under development		
Accommodation in development at the year end	**434**	538

5 Directors' emoluments and expenses Group and Association Directors

Directors

The remuneration for the executive directors of the Plus Dane Housing Limited for the year ended 31 March 2023 is detailed in the table below.

	Basic salary £'000	Pension contribution £'000	National Insurance £'000	2023 Total £'000	2022 Total £'000
Ian Reed Chief Executive	**152**	**9**	**21**	**182**	181
Paul Knight Chief Operating Officer	**124**	**7**	**16**	**147**	147
Claire Dixon - Deputy Chief Executive (appointed 4 January 2022)	**117**	**7**	**15**	**139**	34
Madeleine Nelson Executive Director of Growth and Assets (resigned 30th June 2021)	**-**	**-**	**-**	**-**	49
Total	**393**	**23**	**52**	**468**	411

The emoluments of the highest paid director of the Group, the Chief Executive, excluding pension contributions were £152,000. The Chief Executive was an ordinary member of the pension scheme, and no enhanced or special terms apply. During the year, the Group did not make any further contribution to an individual pension arrangement for the Chief Executive.

Board members

	2023 Total £'000	2022 Total £'000
Sir Peter Fahy (Chair)	**15**	15
Sandra Palmer (Resigned 16 September 21)	**-**	3
Robin Lawler	**3**	7
Ann Hoskins	**7**	7
Gary Dixon	**7**	7
Julie Gill	**5**	5
Thomas McIlravey	**7**	6
Jon Corner	**5**	5
Lyndsey Burkert	**5**	5
Frances Chaplin	**6**	5
Gillian Healey (appointed 16 September 21)	**5**	3
Marie Bintley (appointed 16 September 21)	**5**	3
Robert O'Malley - Independent Committee Member	**2**	2
Scott Murray - Independent Committee Member	**2**	2
Peter McPartland - Independent Committee Member	**2**	2
Mark Beach - Independent Committee Member	**2**	2
Faye Whiteoak - Independent Committee Member	**1**	2
Victoria Matthews - Independent Committee Member	**2**	1
Chad Thompson - Independent Committee Member	**2**	1
	83	83

During the year, fees of £83,146 (2022: £83,210) were paid to Board members and expenses paid amounted to £16 (2022: £1,206).

6 Employees

Group and Association

The average number of employees expressed in full time equivalents (calculated based on a standard working week of 35 hours) during the year was:

	2023 No.	2022 No.
Housing, support and care	**422**	434
Administration and Development	**104**	121
	526	555
Employee costs	**2023 £'000**	**2022 £'000**
Wages and salaries	**18,732**	18,170
Social security costs	**1,911**	1,795
Other pension costs	**1,465**	3,328
	22,108	23,293

The full-time equivalent number of staff (including executive directors and calculated based on a standard working week of 35 hours) who received emoluments within Plus Dane Housing Limited and Group:

	2023 No.	2022 No.
£60,001 to £70,000	**8**	17
£70,001 to £80,000	**4**	5
£80,001 to £90,000	**4**	1
£90,001 to £100,000	**4**	2
£100,001 to £110,000	**2**	2
£110,001 to £120,000	**-**	-
£120,001 to £130,000	**-**	-
£130,001 to £140,000	**1**	1
£140,001 to £150,000	**1**	-
£150,001 to £160,000	**-**	-
£160,001 to £170,000	**1**	1
£170,001 to £180,000	**-**	-
£180,001 to £190,000	**1**	-
£190,001 to £200,000	**-**	-
£200,001 to £210,000	**-**	-

During the year Plus Dane Housing Limited (PDH) closed all defined benefit schemes to future accrual with effect from 31 July 2022. This decision was made by the Board following consultation with members. Following this decision, the Merseyside Pension Fund and Cheshire Pension Fund concluded a cessation valuation which identified a termination debt, this debt was crystallised and paid in full during the year. Following the payment of the termination debt, Plus Dane's liabilities in respect of its Local Government Pension Scheme participations were extinguished.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability) for all three schemes

	SHPS	**MPF**	**CPF**	**2023 (£'000)**
Fair value of plan assets	10,652	-	-	10,652
Present value of defined benefit obligation	12,810	-	-	12,810
Net defined benefit asset/(liability) to be recognised	(2,158)	-	-	(2,158)

Prior Year	**SHPS**	**MPF**	**CPF**	**2022 (£'000)**
Fair value of plan assets	17,958	47,702	30,600	96,260
Present value of defined benefit obligation	19,997	55,032	33,140	108,169
Net defined benefit asset/(liability) to be recognised	(2,039)	(7,330)	(2,540)	(11,909)

Defined benefit costs recognised in Other Comprehensive Income for all three schemes

	SHPS	MPF	CPF	2023 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(8,252)	(909)	(2,297)	**(11,458)**
Experience gains and losses arising on the plan liabilities - gain (loss)	784	(3,142)	2,242	**(116)**
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	27	(478)	(342)	**(793)**
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	6,743	11,392	5,356	**23,491**
Total amount recognised in other comprehensive income - gain (loss)	(698)	6,863	4,959	**11,124**

Prior Year	SHPS	MPF	CPF	2022 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	1,510	3,135	1,490	6,135
Experience gains and losses arising on the plan liabilities - gain (loss)	(921)	(141)	(70)	(1,132)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	293	528	193	1,014
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,922	(64)	2,274	4,132
Total amount recognised in other comprehensive income - gain (loss)	2,804	3,458	3,887	10,149

Defined benefit costs recognised in Statement of Comprehensive Income for all three schemes

	SHPS	MPF	CPF	2023 (£'000)
Current service costs	71	268	186	**525**
Past service costs	-	-	-	**-**
Expenses	13	-	-	**13**
Loss on settlement	-	4522	5078	**9,600**
Amounts charged to operating costs	84	4,790	5,264	**10,138**
Net Interest charges	48	40	10	**98**
Amounts charged to net financing costs	48	40	10	**98**
Amounts charged to SOCI	132	4,830	5,274	**10,236**

Additional interest charges were applied to payment of MPF termination debt of £108k so final impact in SOCI for other financing costs is £206k.

Prior Year	SHPS	MPF	CPF	2022 (£'000)
Current service costs	265	652	746	1,663
Past service costs	-	308	15	323
Expenses	13	8	-	21
Amounts charged to operating costs	278	968	761	2,007
Amounts charged to net financing costs	108	209	125	442
Amounts charged to SOCI	386	1,177	886	2,449

Social Housing Pension Scheme (SHPS)

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme. This scheme has been closed to future accruals from 31 July 2022.

Reconciliation of opening and closing balances of the defined benefit obligation

	2023 (£'000)	2022 (£'000)
Defined benefit obligation at start of period	19,997	20,669
Current service cost	71	265
Expenses	13	13
Interest expense	553	460
Contributions by plan participants	44	103
Actuarial losses (gains) due to scheme experience	(784)	921
Actuarial losses (gains) due to changes in demographic assumptions	(27)	(293)
Actuarial losses (gains) due to changes in financial assumptions	(6,743)	(1,922)
Benefits paid and expenses	(314)	(219)
Defined benefit obligation at end of period	12,810	19,997

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

	2023 (£'000)	2022 (£'000)
Fair value of plan assets at start of period	17,958	15,609
Interest income	505	352
Experience on plan assets (excl. amounts included in interest income) - gain (loss)	(8,252)	1,510
Contributions by the employer	711	603
Contributions by plan participants	44	103
Benefits paid and expenses	(314)	(219)
Fair value of plan assets at end of period	10,652	17,958

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	2023 (£'000)	2022 (£'000)
Current service cost	71	265
Expenses	13	13
Amounts charged to operating costs	84	278

Net interest expense	48	108
Amounts charged to other finance costs	48	108

Financial Assumptions

	2023 % per annum	2022 % per annum
Discount Rate	4.84%	2.78%
Inflation (RPI)	3.17%	3.44%
Inflation (CPI)	2.80%	3.13%
Salary Growth	3.80%	4.13%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Assets

	2023 (£'000)	2022 (£'000)
Absolute Return	115	720
Alternative Risk Premia	20	592
Corporate Bond Fund	-	1,198
Credit Relative Value	402	597
Distressed Opportunities	322	643
Emerging Markets Debt	57	523
Global Equity	199	3,446
High Yield	37	155
Infrastructure	1,217	1,279
Insurance-Linked Securities	219	419
Liability Driven Investment	4,906	5,011
Long Lease Property	321	462
Net Current Assets	27	50
Opportunistic Illiquid Credit	456	603
Opportunistic Credit	1	64
Private Debt	474	460
Property	459	485
Risk Sharing	784	591
Secured Income	489	669
Cash	77	61
Currency Hedging	20	(70)
Total assets	**10,602**	**17,958**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	2023 (years)	2022 (years)
Current Pensioners		
- Males	**21.0**	21.1
- Females	**23.4**	23.7
Future Pensioners		
- Males	**22.2**	22.4
- Females	**24.9**	25.2

Merseyside Pension Fund (MPF)

The MPF is a multi-employer scheme, administered by Wirral Borough Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2022.

This scheme was exited on 31 July 2022 and the debt crystallised with termination debt of £5,108,800 paid in full during the year. The benefit change event has been recognised through the Statement of Comprehensive Income (SOCI) at the effective date of the closure, 31 July 2022, with reference to market conditions at that date.

Additional finance charges of £107,600 and fees £9,920 incurred in payment of the debt are also recognised through the SOCI.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	2023 £'000	2022 £'000
Current service costs	**268**	656
Past service costs	**-**	308
Loss on settlements/curtailments	**4,522**	4
Amounts charged to operating costs	**4,790**	968
Net interest	**40**	209
Amounts charged to other finance costs	**40**	209

Cheshire Pension Fund (CPF)

The CPF is a multi-employer scheme, administered by Cheshire West and Chester Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2022.

This scheme was exited on 31 July 2022 and the debt crystallised with the termination debt of £2,572,000 paid in full during the year. The benefit change event has been recognised through the Statement of Comprehensive Income (SOCI) at the effective date of the closure, 31 July 2022, with reference to market conditions at that date.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	2023 £'000	2022 £'000
Current service costs	186	746
Past service cost	-	15
Loss on settlements/curtailments	5,078	-
Amounts charged to operating costs	**5,264**	761
Net interest	**10**	125
Amounts charged to other finance costs	**10**	125

7 Interest receivable

	Group		Association	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Interest receivable and similar income	**373**	9	**373**	9

8 Interest payable

Group and Association	2023 £'000	2022 £'000
Interest on bank loans and overdrafts	**13,452**	9,165
RCGF Interest	**28**	8
Refinancing costs written off	**31**	-
	13,511	9,173
Less: interest capitalised in housing property costs	**(252)**	(309)
	13,259	8,864
Capitalisation rate used to determine the finance costs capitalised during the period	**3.7%**	3.4%

9 Operating surplus

	Group		Association	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Is stated after charging:				
Depreciation of housing properties	**12,732**	12,092	**12,732**	12,092
Impairment of housing properties	**67**	63	**67**	63
Impairment of investment properties	**77**	-	**77**	-
Depreciation of other tangible fixed assets	**587**	590	**587**	590
Operating lease charges:				
- Land and buildings	**502**	16	**502**	16
- Motor Vehicles	**781**	800	**781**	800
Auditors' remuneration (excluding VAT):				
- for audit services	**63**	55	**60**	53
- for audit related services	**2**	2	**2**	2
- tax compliance	**4**	3	**1**	1

Auditors' remuneration for subsidiaries has been paid for by the parent in the year.

10 Surplus on sale of fixed assets - housing properties

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Disposal proceeds	**3,866**	3,909	**3,866**	3,909
Carrying value of fixed assets	**(2,124)**	(2,195)	**(2,124)**	(2,195)
	1,742	1,714	**1,742**	1,714

11 Tax on surplus on ordinary activities United Kingdom Corporation Tax

The current tax charge for the year varies from the standard rate of corporation tax in the United Kingdom of 19% (2022 19%). The differences are explained below:

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
(Deficit) Surplus on ordinary activities subject to tax	**(4,999)**	7,647	**(4,992)**	7,658
Expected tax charge at 19%	**(950)**	1,453	**(948)**	1,455
Effects of:				
Expenses not deductible for tax purposes	**17,440**	13,657	**17,440**	13,657
Income not taxable	**(16,492)**	(15,112)	**(16,492**	(15,112)
Remeasurement of deferred tax	**-**	(1)	**-**	-
Deferred tax not recognised	**2**	3	**-**	-
Tax charge for the period	**-**	-	**-**	-

12 Tangible fixed assets - Housing properties- Group

	Housing properties to rent		Shared ownership		
	Held for letting £'000	Under construction £'000	Held for letting £'000	Under construction £'000	Total £'000
Cost					
At 1 April 2022 (Restated)	727,958	20,964	39,874	2,147	790,943
Additions	11,082	20,585	52	10,212	41,931
Schemes completed in year	16,854	(16,854)	6,792	(6,792)	-
Reclassified properties	-	-	-	-	-
Transfer (to)/ from current assets	-	-	-	(5,229)	(5,229)
Disposals	(3,884)	-	(942)	-	(4,826)
At 31 March 2023	752,010	24,695	45,776	338	822,819
Depreciation & impairment					
At 1 April 2022	160,133	25	2,725	60	162,943
Charged in year	12,299	44	371	18	12,732
Impairment in year	67	-	-	-	67
Schemes completed in year	16	(16)	57	(57)	-
Reclassified properties	-	-	-	-	-
Released on disposal	(2,194)	-	(153)	-	(2,347)
At 31 March 2023	170,321	53	3,000	21	173,395
Net book value					
At 31 March 2023	581,689	24,642	42,776	317	649,424
At 31 March 2022	567,825	20,939	37,149	2,087	628,000

Values brought forward are after inclusion of a prior year adjustment to housing properties to rent under construction, due to write off for non-capital assets. Further information can be found in Note 33 to the accounts.

12 Tangible fixed assets - Housing properties- Association

	Housing properties to rent		Shared ownership		
	Held for letting £'000	Under construction £'000	Held for letting £'000	Under construction £'000	Total £'000
Cost					
At 1 April 2022 (Restated)	728,392	20,964	39,874	2,147	791,377
Additions	11,082	20,585	52	10,212	41,931
Schemes completed in year	16,854	(16,854)	6,792	(6,792)	-
Reclassified properties	-	-	-	-	-
Transfer (to)/ from current assets	-	-	-	(5,229)	(5,229)
Disposals	(3,884)	-	(942)	-	(4,826)
At 31 March 2023	752,444	24,695	45,776	338	823,253
Depreciation & impairment					
At 1 April 2022	160,133	25	2,725	60	162,943
Charged in year	12,299	44	371	18	12,732
Impairment in year	67		-	-	67
Schemes completed in year	16	(16)	57	(57)	-
Reclassified properties	-	-	-	-	-
Released on disposal	(2,194)	-	(153)	-	(2,347)
At 31 March 2023	170,321	53	3,000	21	173,395
Net book value					
At 31 March 2023	582,123	24,642	42,776	317	649,858
At 31 March 2022	568,259	20,939	37,149	2,087	628,434

Values brought forward are after inclusion of a prior year adjustment to housing properties to rent under construction, due to write off for non-capital assets. Further information can be found in Note 33 to the accounts.

12 Tangible fixed assets - Housing properties [continued]

The net book value of housing properties may be further analysed as:

	2023 £'000	2022 £'000
Freehold	**522,350**	499,967
Long Leasehold	**115,937**	116,854
Short Leasehold	**11,137**	11,179
	649,424	628,000

Social Housing Assistance

Social Housing Grant - Group and Association	**2023 £'000**	2022 £'000
Total accumulated SHG received or receivable at 31 March		
Recognised in the Statement of Comprehensive Income	**3,917**	3,853
Held as deferred income (Note 23)	**238,828**	242,640
	242,745	246,493

Recognised in Statement of Comprehensive Income £3,917k relates to amortisation value, it does not include amounts released on disposal.

Expenditure on works to existing properties

Group and Association Expenditure on works to existing properties:	2023 £'000	2022 £'000
Amounts capitalised	**10,865**	10,786
Amounts charged to income statement	**3,419**	2,931
	14,284	13,717

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of Financial Reporting Standard 102 and SORP 2018.

Social housing properties were assessed for impairment with £67k impairment (2022: £64k) relating to 2 properties requiring large rectification works to roof.

13 Investment properties Group and Association

	Total £'000
Valuation	
At 1 April 2022	**761**
Additions	**-**
Disposal	**(4)**
Revaluation	**(77)**
At 31 March 2023	**680**

The group's commercial investment properties were subject to external valuations as at 31 March 2023. The valuations were carried out by Legat Owen and Pantera Property, Harrogate under instruction from the directors of Plus Dane Housing Limited.

The disposal relates to the sale of a Bakestones freehold interest.

14 Other fixed assets Group and Association

	Freehold offices £'000	Leasehold office premises £'000	Motor vehicles £'000	Fixtures & equipment £'000	Total £'000
Cost					
At 1 April 2022	4,355	2,095	42	5,634	12,126
Additions	-	-	-	336	336
Disposals	-	-	-	-	-
At 31 March 2023	4,355	2,095	42	5,970	12,462
Depreciation					
At 1 April 2022	2,726	456	42	4,416	7,640
Charged for the year	82	145	-	360	587
Disposals	-	-	-	-	-
At 31 March 2023	2,808	601	42	4,776	8,227
Net book value					
At 31 March 2023	1,547	1,494	-	1,194	4,235
At 31 March 2022	1,629	1,639	-	1,218	4,486

15 Subsidiaries

As required by statute, the financial statements consolidate the results of Plus Dane Housing Limited and its wholly owned and/or controlled subsidiary undertaking listed below, which is a Limited Company Registered in England and Wales.

- Dane Partnership Homes Limited

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022 disclosures have been made in relation to transactions between Plus Dane Housing Limited and non-regulated entities within the Group.

16 Fixed asset investments Group and Association

	2023 £'000	2022 £'000
Joint Venture Skylight	-	184
Impairment in joint Venture	-	(184)

Joint Venture Undertakings

The Group and Plus Dane Housing Limited have the following aggregate interests in joint ventures.

	2023 £'000	2022 £'000
Share of gross assets	**-**	184
Share of gross liabilities	**-**	-
Share of net assets	**-**	184

Plus Dane Housing Limited (and hence the Group) entered into a joint venture in February 2021 obtaining 33.3% interest in the ordinary share capital of a joint venture undertaking, Skylight Lettings Ltd. This company is incorporated in England and Wales and is an ethical lettings agency which was dissolved on 14th June 2022 without any trading.

17 Stock

	2023 £'000	2022 £'000
Consumables	**78**	172

18 Properties for sale Group and Association

	2023 £'000
At 1 April	**4,107**
Additions in the year	**5,229**
Released to income in the year	**(4,977)**
Shared ownership at cost 31 March	**4,359**

19 Debtors

	Group		**Association**	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Amounts receivable after one year				
Amounts due under finance lease (note 20)	**4,398**	4,604	**4,398**	4,604
Other Long-Term debtors	**25**	9	**25**	9
	4,423	4,613	**4,423**	4,613
Amounts receivable within one year				
Rent and service charges	**5,700**	5,616	**5,700**	5,616
Less: provision for bad debts	**(4,551)**	(4,420)	**(4,551)**	(4,420)
	1,149	1,196	**1,149**	1,196
Amounts due under finance lease (note 20)	**207**	195	**207**	195
Loans to employees	**4**	9	**4**	9
Amounts due from fellow Group undertakings	**-**	-	**8**	1
Other debtors and prepayments	**4,291**	3,128	**4,291**	3,128
Social Housing Grant receivable	**-**	980	**-**	980
	5,651	5,508	**5,659**	5,509
	10,074	10,121	**10,082**	10,122

The loans to employees relate to a cycle scheme £4k (2022: £9k).

20 Amounts due under finance lease

Amounts due under finance leases amount to £4,604,000 (2022: £4,799,000). This represents the value of the finance lease at 31 March 2023 granted to CLS Care Services over The Larches in Macclesfield. The Larches is a 90-unit dementia and extra care village which was completed and the lease granted in October 2007. The lease is for a period of 30 years and the substance of the lease is such that it is deemed to be a finance lease and has been treated in the financial statements accordingly.

Finance leases are receivable as follows:

	2023 £'000	2022 £'000
Within one year	**207**	195
Between one and two year	**218**	206
Between two and five years	**741**	698
After five years	**3,438**	3,700
	4,604	4,799

21 Creditors: amounts falling due within one year

	Group		**Association**	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Loans (see note 22)	**1,655**	107,142	**1,655**	107,142
Trade creditors	**2,257**	3,412	**2,257**	3,412
Social Housing Grant received in advance	**116**	116	**116**	116
Rent received in advance	**3,048**	3,081	**3,048**	3,081
Other tax and social security	**487**	508	**487**	508
Accruals and deferred income	**10,697**	7,732	**10,697**	7,732
Recycled Capital Grant Fund (see note 24)	**195**	-	**195**	-
Amounts due to Group undertakings	**-**	-	**-**	-
Other creditors	**1,462**	1,246	**1,451**	1,235
Deferred Grant Income (see note 23)	**3,917**	3,853	**3,917**	3,853
Amounts due to pension funds	**1,141**	1,074	**1,141**	1,074
	24,975	128,164	**24,964**	128,153

22 Creditors: amounts falling due after more than one-year Group and Association

	2023 £'000	2022 (As restated) £'000
Bank loans	**374,708**	198,005
Less: issue costs	**(2,088)**	(1,718)
	372,620	196,287
Deferred grant income (see note 23)	**234,911**	238,787
Recycled Capital Grant Fund (see note 24)	**1,241**	671
	608,772	435,745

Debt Analysis

	2023 £'000	2022 £'000
Debt on bank loans repayable as follows		
In five or more years	**219,490**	62,452
Between two and five years	**124,292**	132,088
Between one and two years	**28,838**	1,746
	372,620	296,286
In one year or less	**1,655**	107,142
	374,275	303,429

Housing loans from lending institutions are secured by specific charges on some of the Group's housing properties and floating charges over the Group's assets and are repayable at fixed rates of interest of between 0.2% and 10.73%. The level of undrawn facilities at the year-end stands at £70m (2022: £200.8m).

23 Deferred grant income Group and Association

	2023 £'000	2022 (As restated) £'000
At 1 April	**242,640**	234,049
Capital Grants received	**730**	8,871
Recycled Capital Grants	**-**	3,702
Other Grants received	**259**	452
Grants received in the year	**989**	13,025
Amortised Government Grant released	**(3,917)**	3,852
Released on sale of Fixed Asset	**(884)**	582
Released to income in the year	**(4,801)**	(4,434)
At 31 March	**238,828**	242,640

	2023 £'000	2022 (As restated) £'000
Amounts to be released within one year	**3,917**	3,853
Amounts to be released in more than one year	**234,911**	238,787
	238,828	242,640

2022 opening balance has been amended. Further information is contained in Note 33.

24 Recycled Capital Grant Fund (RCGF) Group and Association

	2023 £'000	2022 £'000
At 1 April	**671**	3,885
Grants recycled upon relevant events	**737**	480
Interest credited	**28**	8
Utilised in the year	**-**	(3,702)
At 31 March	**1,436**	671
Disclosed as:		
Amounts falling due within one year	**195**	-
Amounts falling due after one year	**1,241**	671
	1,436	671

25 Share capital

	Group		Association	
	2023	2022	**2023**	2022
	£	£	**£**	£
Shares of £1 each issued and fully paid At 1 April and 31 March	**12**	12	**11**	11

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions. The members' liability is limited to £1 on a winding up of Plus Dane Housing Limited.

26 Notes to the group cash flow statement

Reconciliation of operating surplus to net cash generated from operating activities	**2023** **£'000**	2022 Restated £'000
NET surplus	(4,424)	7,647
Adjustment for non-cash items:		
Depreciation and impairment of tangible fixed assets	**13,385**	13,121
Decrease/(increase) in stock	**94**	(98)
Decrease / (increase) in properties for sale	**(252)**	(1,983)
Decrease/(increase) in trade and other debtors	**(1,127)**	755
Decrease in trade and other creditors	**1,100**	915
Pension costs less contributions payable	**1,275**	(35)
Impairment/Revaluation of investment properties	**77**	-
Share of (surplus)/deficit in associate	**7**	11
Gain on the sale of tangible Fixed Assets	**(1,742)**	(1,714)
Government grants utilised in the year	**(3,875)**	(3,810)
Interest Expense	**13,465**	9,306
Interest Income	**(373)**	(9)
Net cash generated from operating activities	**17,610**	24,106

Net cash generated from operating activities has been impacted in 2023 by the crystallisation of DB pension debt £9.6m.

A prior period adjustment has been included in FY22 and further information is available in Note 33.

27 Net Debt reconciliation

	1 April 2022	**Cashflow**	**Other Non-Cash**	**31 March 2023**
Cash at bank and in hand	1,708	45,646	-	**47,354**
Security Bonds	(5,272)	-	-	**(5,272)**
Bank Loans	(303,429)	(71,307)	462	**(374,274)**
	(306,993)	**(25,661)**	**462**	**(332,192)**

28 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	**43,954**	67,147
Capital expenditure that has been authorised but not yet contracted for	**57,550**	59,366
	101,504	126,513
The Group expects to finance the above commitments by:		
Social Housing Grant receivable	**11,105**	11,494
Loan facilities, shared ownership stair-casing sales and other trading cash flows	**90,399**	115,019
	101,504	126,513

29 Contingent Liabilities

Plus Dane Housing received notification from the Trustees of The Pensions Trust, which includes the Social Housing Pension Scheme (SHPS), of a Scheme Benefit Review seeking to compare the changes that have been made to the benefits provided to scheme members with the requirements of the scheme documentation. The Trustee has received legal advice that there is uncertainty about how member benefits should be calculated, following some of the past changes in Scheme benefits, and will be asking the Court to provide clarity on how the Scheme should be administered in practice.

The potential additional Technical Provisions liabilities arising from the Scheme Benefit Review have been notified as at December 2022 at £479k, with additional liabilities not yet quantified for the legal costs incurred by the Trustees in relation to the court case.

Court proceedings will be issued in late 2023, with a conclusion anticipated for late 2024.

30 Commitments under operating leases

The future minimum lease payments are as set out below. Leases relate to office accommodation and market rent apartments, motor vehicles and office equipment.

	2023 £'000	2022 £'000
Not later than one year	**1,407**	821
Later than one year and not later than five years	**3,984**	3,622
Later than five years	**2,665**	3,493
	8,056	7,936

31 Bond Guarantee

The group have the following bond guarantees in place as at 31 March 2023.

Beneficiary	Issue date	Expiry	Amount £	Bond type
Cheshire West & Chester Borough Council	18/10/2017	01/05/2023	4,650,000	Pension guarantees
Wirral Borough Council	30/12/2011		556,000	Pension guarantees
Liverpool City Council	11/10/2011		65,582	Performance

32 Related parties

During the year the group participated in the following funded multi-employer defined benefit schemes; the Merseyside Pension Fund (MPF) and the Cheshire Pension Fund (CPF), both Local Government Pension Schemes and the Social Housing Pension Scheme (SHPS), administered by the Pension's Trust. Transactions between the group and the pension schemes are contained within Note 6.

Related parties include key personnel, Board and committee member connections as listed with outstanding balances due £nil (2022: £1,000).

3rd Party	Relation with	Payable	Receivable	2023 Net	2022 Net
Halton Housing	Director	(38,997)	-	(38,997)	(13,043)
Prima Group	Board member	-	-	-	(10,000)
South Liverpool Homes	Director	-	-	-	12,240
Liverpool Hope University	Other	(517)	-	(517)	-

Plus Dane Housing Board has a board member who holds a tenancy agreement on normal terms and cannot use their position to their advantage. The rent charged for the year for the members was £9,992 (2022: £4,444) and the tenants had a year end rent account credit balance of £103 (2022: £2).

33 Prior Year Adjustments

Disposal of Assets

Upon management review, non-capital assets were identified within housing property fixed assets held under construction. Further investigation demonstrated that the assets should have been expensed in the year of completion and were not to be capitalised. Management therefore saw no logical reason to continue to hold the assets under construction, and agreement was given to write off the assets. Corresponding grant relating specifically to the completed non-capital assets was to be released.

The accounts for 2022 have therefore had opening balances restated as at 31 March 2021 to reflect the correction of this error in initial treatment of these transactions that occurred prior to the start of the 2022 financial year:

a. a £1.9m removal of assets on schemes incorrectly held as Housing Property Assets Under Construction.
b. the release of grant funding £1.9m for the same schemes from within Deferred Capital Grant liabilities due after more than one year.

The correction has resulted in an increase to the reserves opening balance of £4k.

Notes impacted by the amendment to the opening balances have been annotated in the notes above.

Reclassification of Operating, Financing and Investing Cash Flows

The cash flow statement has been restated for 2022 following identification of errors in the amounts reported between operating, investing and financing cash flows. Ultimately, there is a net nil impact to the change in cash equivalents, however cash generated from operating activities increased by £4,735k, cash outflow from investing activities decreased by £4,411k and cash outflow from financing activities increased by £324k. These movements principally relate to the categorisation of properties held for sale and Tangible Fixed Assets expenditure cash flows.

34 Post Balance Sheet Events

There are no post balance sheet events.