



Plus Dane Housing



# Financial Statements

2024





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## Board members

Sir Peter Fahy [Chair]

Thomas McIlravey

Gary Dixon

Dr Ann Hoskins

Jon Corner

David Parr [appointed 1 July 2023]

Gillian Healey

Frances Chaplin

Marie Bintley

Suzanne Horrill [appointed 1 July 2023]

Earl Jenkins [appointed 1 July 2023]

Lyndsey Burkert [resigned 31 January 2024]

Julie Gill [resigned 25 May 2023]

## Executive officers

Ian Reed - Chief Executive

Claire Dixon - Deputy Chief Executive

Paul Knight - Chief Operating Officer [resigned August 2023]

## Company Secretary

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

**A Charitable Registered Society No:** 31012R

**Regulator of Social Housing No:** L4556

# Chair's statement

Welcome to our 2023/24 financial statements which reflect the final year of our three-year corporate plan. Throughout the duration of this plan, we have experienced real challenges in relation to demand for services and rising costs and this year was no different. We have again seen the needs of customers increase as the cost-of-living crisis continued to bite, forcing more into food and fuel poverty.

Where we can, we have worked hard to reduce costs for customers, but this is balanced against a requirement to continue to invest in our homes, provide vital services and greater levels of support for customers, all at an increased cost.



Crosby development

One success in this area has been our Procurement team's ability to negotiate a more favourable energy contract, covering both the gas and electricity supplied to all our offices and shared residential accommodation. This has resulted in a significant reduction in energy costs to those customers that pay a service charge for 2024/25.

Despite the financial challenges so many of our customers are facing with cost of living increases we have managed to contain the level of arrears through proactive management and offering support to those struggling. Our team managed to secure £2.6m in unclaimed benefits on behalf of customers making a real impact on the lives of those they were able to support. At the same time our colleagues dealing directly with customers have reported an

increase in those suffering from mental ill health and we have also seen an increase in problems from anti-social behaviour and the impact of illegal drug use. We continue to invest in teams dedicated to these issues, we actively support local community organisations and partnerships strengthening local community activity.

During this year, we have taken action to reduce the cost of our borrowing, restructuring one facility from a term loan to a revolving credit facility in order to reduce the margin cost. Across the life of the term, this will save us around £600k and we are looking to replicate this on a second facility during 2024/25.

We were really pleased to start on-site with the Wave 2 Social Housing Decarbonisation Fund project which will see us improve the thermal efficiency of up to 400 homes in the Liverpool 8 neighbourhood. Plus Dane match funded the award, taking the total investment up to £8m. Alongside an investment of £17m in existing homes which has included installing 536 new kitchens, 347 bathrooms, 519 boilers, 93 full heating systems, 264 windows & doors and carrying out 157 major adaptations for customers, we were also able to deliver 159 new homes as part of our commitment to meeting housing demand across our region.

Since the pandemic we have seen an increase in the number of non-urgent repairs that we are unable to complete within our published timescales. We currently complete 52% of repairs within 7 days, but for non-urgent repairs, customers are waiting longer than they should. During this year, we have invested a significant amount to try to reduce waiting times, using trusted contractors to support our in-house service. This investment will continue during 2024/25 so that we can be confident our customers are receiving the service they expect. Alongside this, we are also looking at the wider repairs service, including structures, systems and processes to ensure we are as efficient as we can be.

Given all our efforts it was very disappointing to receive a judgement of severe maladministration from the Housing Ombudsman in July. In response we accelerated the pace of change already in progress, reviewing our structures and processes to ensure the most urgent repairs were prioritised and our communication with the tenants involved improved. We also welcomed three new colleagues to our Leadership team, all of whom are squarely focussed on improving the customer experience and getting on top of the repairs backlog.

We had already embarked on a taskforce to look at how we manage complaints, and as a result have changed our policy, in line with the Ombudsman's new Complaint Handling Code, and the complaints model, moving to the creation of a centralised team in order to increase control and oversight for the organisation and increase quality and consistency in complaint handling for customers.

We have begun using taskforces more frequently as a means for Board Members to get involved in understanding some of the operational issues facing the organisation and support the development of solutions. This year, we also undertook a taskforce to look at our approach to handling reports of damp & mould. This has been a significant issue for the sector in recent years and through the taskforce, we have improved the way in which we respond to reports, not only taking account of the home itself, but the specific needs of household members.

We remain focussed on providing homes at affordable and social rents as we are conscious every day of the huge need for housing. At the same time, we are developing new initiatives focussed on those needing supported accommodation and working with partners to see some of the most challenged areas of the City Region regenerated.

In March 2024, Board approved the new 3-year corporate plan with a new vision: quality homes, great services and vibrant communities. We listened to 1,600 customers during its development to understand what our priorities should be, and these were closely aligned to the views of colleagues and Board members. The new plan provides a great opportunity for us to do even more in and for our communities and I would like to thank colleagues and fellow Board members for their continued hard work and enthusiasm as we embark on an exciting new chapter.

**Sir Peter Fahy**

Plus Dane Housing Limited 7 August 2024

A handwritten signature in black ink, appearing to read 'Peter Fahy', written in a cursive style.

# 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 2024.

Plus Dane Housing Limited consists of:

- Plus Dane Housing Limited.
- Dane Partnership Homes Limited.

## Principal activity

Plus Dane Housing provides affordable homes for rent and shared ownership together with housing support for vulnerable and elderly customers. 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.



Alexandra Gardens Development, Crewe

## Status

Plus Dane Housing Limited is a Registered Society incorporated under the Co-operative and Community Benefit Societies Act 2014. We are registered with the Regulator of Social Housing (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 and the Statement of Recommended Practice (SORP) for registered social housing providers for the year ended 31 March 2024.

## Customer voice

Plus Dane Housing is committed to making a real difference to homes and communities, 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.



Our Customer Assurance Panel (CAP) continued to meet ensuring that the voice of customers is amplified across the organisation on themes and topics that matter most to them. As part of this, we have integrated CAP into our Governance arrangements so that Board have greater oversight of the customer voice. This has included, but is not limited to,

the Chair of Purpose Committee attending CAP meetings, the Chair of CAP attending Purpose Committee and an open invitation to board meetings being extended to the Chair of CAP as well. CAP has had direct access to Board to challenge over repair response times leading to a change in approach from Plus Dane, have contributed to key national consultations on the proposed Consumer Regulation and Awaab's Law and supported the development of our new corporate plan.

Over the year Plus Dane Voices helped us to improve eight service areas including specific consultation on our Anti-Social Behaviour Policy, Alterations Policy and Growth Strategy. Additionally, two community-based consultations have been completed in Kirby, Merseyside and Brunswick Street, Cheshire to develop neighbourhood plans.

In Summer 2023, 1,600 customers responded to a request for feedback to help shape our future:

- To understand customer priorities on where they think Plus Dane should concentrate resource.
- We asked for views on what is most important for our repairs service.
- Customers told us what is most important to them when receiving services from Plus Dane.

The resounding feedback was that customers want us to be the best landlord we can; this has shaped our corporate plan, launched in April 2024, our budget for 2024/25 and helped shape the key pillars of our new Customer Experience Strategy.

The Regulator of Social Housing (RSH) introduced the requirement to report performance against a set of 22 measures from 1 April 2023, including 12 customer perception measures and 10 management information measures, known as the Tenant Satisfaction Measures (TSMs.) We undertook a pilot during quarter three of 2022/23 which provided the baseline data and informed the target setting for 2023/24.

The methodology for the surveys and the questions are prescriptive and are set out in the technical guidance from RSH. Plus Dane has received assurance reports on our application of the survey methodology and KPI definitions to ensure that we meet the technical requirements. We heard the views of over 2,500 tenants in 2023/24 using the TSM approach. Performance is detailed later in the statements.

In our communities, we worked with residents to build their resilience and improve their wellbeing. This has ranged from support for local community clean ups, continuing partnerships with local providers to deliver employability, wellbeing and mental health support and supporting local food provisions.

Additionally, through our development programme, we have continued to contribute to social value outcomes. For our Arncliffe scheme, due to handover in Spring 2024, we are leaving a legacy for Knowsley residents as well as local businesses and charities. The social value target for this site was 237 Social Value weeks. The total number of Social Value weeks delivered is 601. Through our new Growth Strategy, we will continue to measure the impact our homes are having, not just on those benefiting from renting or buying from us, but wider community impacts that we are committed to.

In 2024/25 we are strengthening the way we hear the customer voice through an independent review to see how we can link activities to CAP and in turn through our governance structure.

## Colleagues

The strength of Plus Dane 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 Colleagues at our 2023 Colleague Conference

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, as well as 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.

We have created numerous opportunities for colleague voice across our activities and cross-team engagement, creating space for new ideas and collaboration. In addition to our long-term positive partnership with our recognised Trade Unions, we also have created space for consultation and engagement at our colleague conference and through multiple taskforces focussed on collective problem solving. We have held focus groups to inform our approach to EDI and have recently launched our colleague network, +Together, celebrating inclusion. The network is currently working together to plan our activities for Pride month in June.

## Health & safety

The Board is aware of its responsibilities on all matters relating to health and safety. We have robust policies and procedures relating to Health & Safety (H&S) and landlord compliance to ensure we keep customers, colleagues, and wider residents safe. The policies are supported by training and education on health and safety matters, including safeguarding, for colleagues, some of which is mandatory depending on the nature of a colleague's role.

We test our arrangements through continuous auditing via our internal audit programme and use the annual RoSPA awards to continuously improve our approach to H&S. In 2023 we retained for the fifth time our RoSPA Gold status recognising achievement in safety and excellence.

The Board has appointed a Health and Safety Champion who attends the quarterly Health & Safety Steering Group (HSSG), with colleagues, to ensure appropriate H&S arrangements are in place, to review policies and procedures and to drive accident and near miss reporting across Plus Dane. In the year, HSSG met quarterly reporting activity to the Executive Management Team. Quarterly reports on both H&S and landlord compliance were received by Audit and Assurance Committee.

## The Board & Executive Directors

Board members who served during the period and Plus Dane's executive directors are set out on page three. 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. Members are drawn from a wide background bringing together professional, commercial and local experience in line with Plus Dane's Skills Framework. Board is supported by Independent Committee Members who also serve on committees but do not have formal Board Member responsibilities.

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 in line with our Board Member Recruitment Policy.

## Remuneration policy

The Chair's Committee, comprising the Chair of the Board, Chairs of all committees and the Senior Independent Director, were 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.

Audit & Assurance Committee paid close attention to remuneration levels in the sector, in determining the remuneration levels of the Chair, Chairs of Committees, Board Members and Independent Members.

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

## Board Member responsibilities

The Board Members are responsible for preparing the Directors' report 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 for registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and association will continue in business.
- Ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain Plus Dane's transactions and disclose with reasonable accuracy at any time our financial position 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 Plus Dane's assets and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on Plus Dane'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 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. Regulatory contact is detailed later within the Governance and Regulation section of the Strategic report.

## Code of Governance

Plus Dane adopts the National Housing Federation's (NHF) Code of Governance (2020) to ensure that we have good governance based on accountability, integrity, openness and equality and inclusion, the formal Code of Conduct adopted is the NHF's Code of Conduct (2022).

On behalf of the Board, Audit & Assurance Committee carry out quarterly reviews of compliance with the Code of Governance, considering a principle a quarter and reporting the assessment to Board.

During 2023 Plus Dane has reviewed and updated its Rules to reflect the Code of Governance. The assessment of compliance with the Code of Governance is conducted on a "comply or explain" basis, based on the self-assessment Plus Dane is compliant with the code.

## 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 2023/24. 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's 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 2024/25. The Board has accepted the conclusion of the Audit and Assurance Committee based on their review and scrutiny.

## Board Effectiveness

Board considered its effectiveness at its meeting in March 2024 confirming that the Board and all Committees had met regularly through the year to discharge their delegated responsibilities as set out in the agreed terms of reference. Specifically, in the year, the Board has:

- Approved the new corporate plan, Customer Experience Strategy, and revised Risk Management Framework.
- Received quarterly reports on progress with performance, financial position, development programme and strategic delivery.
- Has received reports from all its Committees and CAP.
- Commissioned an independent review plan following the publishing of a severe maladministration case from the Housing Ombudsman.
- Approved a task and finish group made up of officers and members to collaboratively develop our new Growth Strategy.
- Approved increased investment in repairs to deliver the Repairs Catch Up programme.

Audit & Assurance Committee has:

- Overseen the implementation of the internal audit plan.
- Overseen delivery of the independent review into rent setting.
- 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.
- Overseen the bank review and approach to hedging.
- Considered our approach to cyber security.
- Received quarterly reports on H&S, landlord compliance, procurement, and treasury management.

Purpose Committee has:

- Overseen delivery of the improvement plan following the publishing of a severe maladministration case from the Housing Ombudsman.
- Received reports giving oversight of the Homes, Communities and Customer Experience directorates; this includes case studies to aid understanding of the complexity of the operating environment and customer experience.
- Ensured CAP's voice is heard at Committee and Board.

Foresight Committee has:

- Reviewed the strategic risk register quarterly, horizon scanning and considering emerging risks and risk deep dives.
- Received quarterly reports about our approach to net zero, innovation and programmes.
- Noted progress with delivery of the People Strategy.
- Overseen delivery of the new corporate plan.

## Auditors

A resolution to reappoint BDO as external auditors for audit of the 2023/24 financial statements was accepted at the 29 February 2024 Board meeting. The Directors' Report was approved on 1 August 2024 and signed on its behalf on 7 August 2024 by:



A handwritten signature in black ink that reads "Alison Horner".

**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.

## Vision & values

Our ambition, up to March 2024, was to *tackle social inequality by enabling individuals and communities to thrive*. We launched our new plan on 1 April 2024.

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

Our Board is clear about the role that 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 four strategic objectives which our Board reviewed progress against quarterly:



Our vision is supported by four key objectives brought to life through strategies which describe how will contribute successfully deliver the corporate objectives and ultimately not vision:



## Strategic objective outcomes

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

### Customer Experience

- Engaged with over 1,600 with customers, colleagues and stakeholders to understand their expectations of our future direction, repairs and maintenance service and Customer Experience Strategy.
- Approved our first Customer Experience Strategy.
- Finalised our complaints taskforce and started implementation of new actions preparing for a new centralised model.
- Introduced our Quality Management System to review and improve contact handling.
- Successfully re-tendered for the Cheshire East Floating Support Service, Halton Floating Support Service and Ann Conway House 24 Hour Homeless Support Service.
- Delivered £82k crisis support for customers.
- Invested £20k in our community partners to enable them to extend the reach of our support into the heart of communities and deliver activities to mitigate against the impact of the cost-of-living crisis.

## Locality Working

- Built 159 new homes against an original budget position of 140, 93 homes were for rent, 66 for shared ownership.
- Realigned Wave 2 of the Social Housing Decarbonisation fund to respond to an increase in reports of damp & mould in L8. 115 homes completed in year one of the fund over 300 more on site for retrofit works. Year two spend was accelerated in year one to respond to the challenges faced.
- Invested in our responsive repairs service to start a catch-up programme aimed at reducing the number of outstanding repairs and waiting times to pre-Covid levels. We are still experiencing a high volume of responsive repairs with an 18% increase compared to the previous year.
- Invested £17.7m in existing homes.
- Completed heat metering in two schemes to give customers control over their heating systems, with one further scheme on site for delivery of the same.
- Maintained 100% compliance with fire risk assessments with strong performance across all compliance areas.

## Sustainable Organisation

- Reprocurved utilities contracts with a reduction of almost £1m achieved, much of which is passed to customers through service charge costs.
- Delivered 73 new procurement activities and completed 90 activities, resulting in £178k of total annual cashable savings and £155k of total annual cost avoidance savings.
- Continued preparations for the RSH's new Consumer Standards, effective from 1 April 2024.
- Evaluated our new governance structure a year on from implementation.
- Implemented our Data Governance Framework.

## Colleague Experience

- Delivered year three of our People Strategy.
- Completed two cohorts of our first bespoke Leadership and Management Development Programme.
- Designed and approved a new Corporate Induction with the first cohort now completed.
- Launched our Volunteering Framework.
- Reduced sickness absence and colleague turnover.

## Repairs, damp & mould

Plus Dane recognises that since the pandemic in 2020 there have been a number of economic challenges that have impacted on our repairs & maintenance service from a demand, recovery and economic perspective. Plus Dane is striving to ensure that we invest in homes and move to a healthier balance of planned investment versus responsive repairs.

Running in parallel, there have been a number of challenges for the wider sector with tragedies that have resulted in loss of life leading to changing regulatory requirements as well as further proposed legislative changes. This has led to increased political and media scrutiny and significant focus from the Housing Ombudsman Service. The government also

launched a 'make things right' communications campaign so that social housing tenants who need support know how to make a complaint.

An 18% increase in volume of repairs this year attributed to a significant increase in damp and mould works. The prolonged wet weather and increased volume of larger value works which were not completed when mitigations had been in place in previous financial years has created a perfect storm that has led to our repairs service not delivering services to customers that they deserve, and we expect. We developed a strong platform to respond to this in 2023/24 and will continue this work, through our Homes Project, in 2024/25. Some of the planned works include:

- Delivery of a nine month catch up programme to reduce the volume of repairs and time taken to complete. Initial review of this identified that 18% of works were either no longer required or could be capitalised through our investment programme, meaning we have started to free up scheduling space to support current service provision. Our first cohort, completed in March 2024, reduced demand for internal repairs to 3,100 tasks from 4,200.
- In-sourcing low level mould treatment works by extending seasonal contractors' hours.
- Completion of a value for money review of all outsourced work and identify areas of over-reliance on specific contractors.
- Implementing the processes identified through cross team working on service design processes.
- Revising our Asset Management Strategy using refreshed data from Savills' Social Housing Asset Performance Evaluation model.

Our Purpose Committee is overseeing the Homes Project to ensure that improvements are delivered which are targeted at improving service delivery and improving customer satisfaction.

## Performance

The Board and Management have agreed a Performance Management Framework. Board and Committees consider performance quarterly, benchmarking against an agreed comparator group and approving annual corporate and operational targets. Key operational performance highlights for 2023/24 include:

Performance legend	
	Denotes meets or exceeds target (including within tolerance range)
	Denotes not meeting target.

## Financial Health

Financial Health	March 2023	March 2024		
	Actual	Target	Actual	Achieved
Turnover	£84.7m	£86.6m	£87.4m	★
Operating margin (incl. Fixed Asset Sales)	10.2%	21.7%	21.6%	▲
Net surplus	(£4.4m)	£3.3m	£2.9m	▲
Gearing	51.4%	54.6%	53.2%	★

Turnover for the year has been boosted by demand for affordable new homes and target has been exceeded as sales of new homes outperform expectations.

Both operating margin and net surplus during 2022-23 were suppressed by the transactions relating to the exit of defined benefit pension schemes. Operating margin for 2023/24 fell marginally short of target as the impact of increased labour and materials costs remains high. Interest rates also continue to apply pressure to financing costs and are the driver for the shortfall against net surplus in the year.

## Customer Experience

Customer experience	March 2023	March 2024		
	Actual	Target	Actual	Achieved
Customer net promoter score	34.60	40.00	32.16	▲
Customer effort score %	76.52	76.52	74.38	▲
Tenancy turnover - 24 months %	24.29	23.00	15.37	★
Views are listened to and acted upon %	60.00	65.00	58.26	▲

Last year we reported that we had started the journey of supporting a better customer experience. This has included a range of activities across our teams in order to address the key themes attributing to dissatisfaction:

- Repairs wait times.
- Communication.
- Damp and mould.

The improvements detailed in this report as part of the Homes project and intent around repairs and maintenance are expected to have direct impacts on customer satisfaction. The new Customer Experience Strategy recognises the challenges around communication with a number of initiatives delivered or planned, including:

- Prioritising transparent communication when services are under pressure so that customers are kept in the loop. Taking learning from this, creating the right tools and processes to support colleagues in communicating openly and consistently.
- Writing to all customers in receipt of a personal or communal gardening service to set out expectations for the year, reducing avoidable calls, questioning when gardeners will come and other general service-related enquiries.
- Introducing a trial alongside the Homes team to increase the number of repair appointments scheduled at first point of contact by the Customer Access Team (CAT). At present, CAT are only able to schedule specific types of repair requests, meaning that around 90% of customers do not receive an appointment when calling. This often leads to failure demand with customers then calling again to chase an appointment, or to rearrange an appointment after they receive a text confirmation.

## Business Effectiveness

Business effectiveness	March 2023	March 2024		
		Target	Actual	Achieved
% Tenancy turnover	5.54	6.00	5.84	★
% Homes occupied	97.95	97.00	96.99	★
% Income collection	99.43	100.00	98.91	★
% Complaints upheld	79.24	75.00	84.02	▲
% Decent homes	99.87	100.00	100.00	★

Indicators in this area performed well with the exception of complaints upheld. We continue to experience challenges with volumes of complaints and their handling. As mentioned earlier, we are in the progress of completing recommendations from our Complaints Taskforce which includes moving to a centralised service in May 2024 and we have increased resources to support this service accordingly.

All other indicators are within target, showing that homes are effectively let and managed. Decent homes performance has improved in year, aligned to continued emphasis on delivery of our investment programme.

Income collection target, whilst achieved, is slightly lower than last year representing the impact of the cost-of-living crisis. Plus Dane has continued to offer welfare benefits advice to customers and reviewed our Income Management Policy to ensure both it and supporting policies remain robust and reflective of both Plus Dane's and its customers' needs.

## Colleague Experience

Colleague Experience	March 2023	March 2024		
	Actual	Target	Actual	Achieved
Colleague net promoter score	73	82	80	▲
Absence %	4.59	4.50	4.50	★
% Colleague turnover	15.98	13	10.36	★
% Colleagues feel their views are listened to and acted on	62.96	65	64.05	★
% Colleagues understand what Plus Dane is trying to achieve	83.48	85	84.13	★

We have started to see the impact of implementation of our People Strategy on Colleague Experience. All measures are in target reflecting the work undertaken to improve colleague wellbeing and ensure appropriate support and procedures are in place to manage absence. Turnover has reduced, reflected in a number of activities around a competitive pay award, investment in front line services and a number of leadership and management development activities.

Colleague satisfaction has continued to improve reflecting the increased level of engagement over the last two years through an annual survey, pulse surveys, corporate planning sessions, colleague conference and quarterly trades talks; exposure to the Leadership Team has increased to ensure colleagues are listened to and have effective ways of influencing our future direction. Values in Action continues to be a popular way of colleagues recognising the roles others play in displaying Plus Dane values.

## Tenant satisfaction measures

Plus Dane completed a TSM pilot in 2022/23 to develop baseline data for the TSM measures. The results have been reported to Purpose Committee and CAP on a quarterly basis and have identified areas for improvements during the year. The final outturn position including assurance on sampling and compliance with the technical requirements has been considered by the Board.

Satisfaction measures	Target	Actual	Achieved
Overall satisfaction %	80.0	69.8	▲
Satisfaction with time taken to complete most recent repair %	70.0	63.3	▲
Satisfaction that the home is well maintained %	70.0	67.8	▲
Satisfaction that the home is safe %	80.0	74.1	▲
Satisfaction with repairs %	75.0	72.6	▲

Satisfaction measures	Target	Actual	Achieved
Satisfaction that the landlord keeps communal areas clean and well maintained %	60.0	52.4	▲
Satisfaction that the landlord makes a positive contribution to neighbourhoods %	60.0	53.1	▲
Satisfaction with the landlord's approach to handling anti-social behaviour (ASB) %	60.0	54.7	▲
Satisfaction with the landlord's approach to handling complaints %	45.0	32.5	▲
Satisfaction that the landlord listens to tenant views and acts upon them %	65.0	58.3	▲
Agreement that the landlord treats the tenants fairly and with respect %	80.0	74.6	▲
Satisfaction that the landlord keeps tenants informed about things that matter to them %	70.0	65.1	▲
Performance measures	Target	Actual	Achieved
Number of stage 1 complaints relative to the size of the landlord	Data only	58.2	Data only
Number of stage 2 complaints relative to the size of the landlord	Data only	7.5	Data only
Stage 1 complaints responded to within complaint handling code timescales %	Data only	87.0	▲
Stage 2 complaints responded to within complaint handling code timescales %	Data only	46.8	▲
Number of ASB cases relative to size of landlord	Data only	24.8	Data only
Number of ASB cases involving hate incidents relative to the size of landlord	Data only	0.4	Data only
Repairs completed in timescale (non-emergency) %	85.0	87.5	★
Emergency repairs completed in timescale %	97.0	97.2	★
Homes that do not meet the decent homes standard %	0.0	0.0	★
Gas safety checks %	100.0	100.0	★
Fire safety checks %	100.0	100.0	★
Lift safety checks %	100.0	97.7	▲
Water safety checks %	100.0	100.0	★
Asbestos safety checks %	100.0	100.0	★

## Environmental, social & governance targets

Plus Dane Board has agreed the following key targets for the next five years with year one in 2023/24. Our performance after year one is given below:

Indicator	Progress	Year 1	Comments
All new homes built to EPC average B	✓	100%	All 159 homes achieved EPC B
£1.75m investment in community activities	🔄✓	£131,471	We have supported community organisations, delivered community events and provided apprenticeship opportunities through our supply chain.
500 customers supported with learning, development and training opportunities	🔄✓	102	We supported 102 customers into employment and training
Reduce homelessness by allocating 10% of homes annually to homeless cases	✓	28%	We continue to support those with the highest priority housing need access affordable and secure housing
All colleagues paid at least the real living wage (RLW)	✓	100%	Implemented the new rate from 1 April 2024
Continued compliance with LCR Fair Employment Charter at Aspiring level and moving towards accredited level	✓	Complied	We continue to be complaint with the employment charter

## Governance and regulation

In 2023/24 our new governance structure became effective. We have a skills-based Board of up to 12 members and four committees. Through the year, we recruited new members to the Board in line with our Succession Strategy, reviewing the balance of current and required skills.

The Rules of Association permit the Board, through a clear framework, to delegate activity to its committees which were:

- 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.
- Chairs - ensure cross committee working and oversight of nominations and Chief Executive appraisal.

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 which resulted in the new structure implemented this year.

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.

Plus Dane complies with Governance and Financial Viability Standard, our 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 consideration for cost inflation increases to maintenance and major repairs was a factor in RSH re-considering our financial viability rating.

Plus Dane maintains positive and transparent relations with RSH. As a minimum this means completing our relevant regulatory returns, but also in the spirit of co-regulation, we have talked to RSH this year about the independent review into our compliance with the Rent Standard and we self-referred the severe maladministration case from the Housing Ombudsman Service. The RSH did not consider that it would be proportionate to find a breach of the consumer standards with regards to this case however we have maintained contact to provide assurance that we have continued to deliver the recommendations of the independent review we commissioned into the case.

## Principle risks and uncertainties

Plus Dane is committed to a risk management approach that is integral to the strategic planning process. The Board is responsible for the Risk Framework which has been reviewed during the year to strengthen operational risk management and internal control assurance ensuring visibility of operational matters and that these are escalated appropriately. The Board has reviewed its risk appetite to ensure that it is reflective of their ambition and that it clearly sets out what the business will and will not tolerate and is considered in all decision-making processes. There is also an established set of financial golden rules which are stretch targets over and above regulatory requirements. The Leadership Team are responsible for ownership and control of the strategic risks and providing adequate assurance to the Committees and Board.

The framework adopts an enterprise approach which is dynamic; there are clear roles and responsibilities which set out the governance and oversight for risk management. Management of risk is a continuous process and there are operational and strategic risk registers in place, the framework supports the assessment, analysis and treatment of risks that will impact on the strategic priorities of the business. 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 which ensures that Board better understand which 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 mitigation plan.

The strategic risk map details the key risks that impact our strategic objectives. The risk map was reviewed on a quarterly basis by Foresight Committee and the Board. The Executive Management Team identifies any emerging risks from operational activities at its weekly meeting. The annual assessment against the Regulator's Sector Risk Profile was considered by Foresight Committee, the risks below are those which we consider to be our key strategic risks.

## Financial

### Strategic risk 06: Finances are not managed

We recognise the challenges that an uncertain economy can have on our ambitions which has resulted in increased costs for materials, supplies, utilities and labour. In order to remain a sustainable organisation, we must ensure that we are able to raise sufficient funds and manage our finances as well as meet the requirements of our Funders.

Our Treasury Policy was approved in February 2024 and provides the framework to ensure we are able to generate value for money in our Treasury activities. We have a risk averse approach to treasury management and will only enter into treasury transactions to control risk. A bank review was completed during the year as part of our Treasury strategy to reduce our financing costs. Liquidity during the year was maintained above the required limit. A forward look is reported to Board and shows that new funding will not be required until Q4 in 2025-26. Counterparty risk is managed through maintaining certain credit limits with our funders in the short and long term, all of which have been maintained.

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. Our financial controls are tested twice a year through our internal audit programme and our Treasury advisors have supported the review of our arrangements and the Treasury Policy. 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

The continuing cost of living crisis has remained a challenge for our customers and whilst income collection levels have performed well throughout the year, we closely monitor our collection and arrears levels and report quarterly to Board. During the year we have undertaken a review of compliance with the rent standard ensuring that the rents charged are accurate, this has been monitored by our Audit and Assurance Committee.

Our Income Policy was approved in October 2023 along with revised processes, we recognise the need to support customers to sustain their tenancies whilst ensuring that the organisation is financially sustainable as rent and service charge collection is a key source of income. We have utilised automated business rule technology to support the management of rent arrears which has freed up capacity for officers to support more complex cases arrears cases. Our welfare support team are able to provide advice to customers on benefits, budgeting and accessing specialist debt advice. Further mitigations to manage the risk include an ongoing review of credit balances and tenancy information review.

### 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 them through our development plans or by working in partnership. The challenging external environment has presented challenges as a result of inflationary pressures which has resulted in increased material costs. Two development schemes have presented risks that have been considered by Board, Crosby and Arncliffe.

This year we outperformed the number of homes we completed against budget but we did have slippage with our own build schemes at Crosby and Arncliffe which are due to handover in quarter two 2024/25.

A detailed development report is presented to Board on a quarterly basis which provides an overview of development and sales performance alongside future opportunities and challenges, includes financial performance, variances and grant information, scheme progress and customer satisfaction with our new homes. The development programme costs are contained in the business plan and although costs have increased across the programme by 4.1%, the Net Present Value (NPV) achieved has been improved.

During the year we established a Development Task and Finish Group which was commissioned by the Board to consider our overall approach to development, establish the programme mix, the quality and design including sustainable development, available funding streams in preparation for our new Development and Growth Strategy. The group has met quarterly and reported to Board.

## **Governance, Regulatory, Compliance**

### **Strategic risk 05: Failure to provide quality homes**

The provision of good quality homes is our core business and investing in them for the benefit of our customers is a key priority. An updated Asset Management Policy was approved in January 2024 which aims to ensure we achieve a net positive value (NPV) for our homes, we can increase the energy efficiency performance, are able to identify the investment priorities for the future and optimise planned investment opportunities whilst ensuring that the homes are compliant with building safety requirements. We have completed validation checks on homes to ensure that they meet the Decent Homes Standard and have completed any failures during the year.

During the year we have commenced a Homes Project which has a number of workstreams to improve our service design and delivery of our asset and repairs service that achieves our objective of good quality homes. We have received feedback from customers on their priorities which has helped shape our repairs improvement plan to address some of the challenges the sector has faced as a result of the external operating environment along with improvements identified from our own internal reviews and task and finish groups on damp and mould, complaints and a case of severe maladministration.

Training on Housing health and safety rating system (HHSRS) has been delivered to some of our colleagues to enable them to identify issues within customers' homes and schedule an effective repair or investment.

The Board recognised the need for investment and created capacity within the budget to continue the investment needed. A review of our repairs contractors has ensured that we are achieving value for money the service and our customers. The Purpose Committee has received updates on repairs performance and damp and mould cases along with the planned investment programme throughout the year.

### **Strategic risk 13: Ineffective management of data quality and integrity**

We recognise that accurate and up to date information is critical to enable the business to make informed decisions and ensure that we maintain compliant with relevant legislation and regulations. We have a data governance framework that has been co-created with colleagues and provides the structure and guidelines to ensure that data is accurate, readily

available, usable, useful, and secure across the organisation. The framework provides sufficient room for change as our processes around data governance mature. It is overseen by our Data Governance Board which consists of Directors and ensures that ownership and responsibility for data is clearly laid out. It has supported the business to understand our key data, define data ownership and seek out solutions to support methods to highlight and resolve data errors.

We have engaged external support to provide assurance on our approach to data governance and delivered training to our data governance board to ensure that they are equipped to oversee a key risk. The data governance Board has met quarterly throughout the year and receive updates on our data quality dashboard and implementation of the framework as well as updates from the data quality group who provide operational insight of data challenges.

### Strategic risk 17: Failure to understand, plan for, resource and implement net zero

Climate change is inherently uncertain, our objective is to provide quality homes that are affordable for our customers. During the year we have approved the Asset Management Policy as outlined in SR05 above. The Board are aware of the requirements to deliver an approach to net zero and our Foresight Committee has received quarterly updates on progress. We continue to monitor the changes to the Standard Assessment Procedure (SAP) for assessing energy performance. We secured Wave 1 and 2 funding through the Social Housing Decarbonisation Fund (SHDF) which has seen 106 homes improve and started onsite in November with Wave 2 project focusing in one of our key neighbourhoods in L8.

## 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. We plan to review our Value for Money Strategy in 2024/25.

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	2024 Target	2024 Actual	Achieved	2022/23 Plus Dane Perf.	2022/23 Peer Group Perf.	2025 Plus Dane Target
Reinvestment	Measures investment in existing and new stock	7.5%	7.3%	▲	6.5%	8.0%	9.7%
New Supply Delivered - Social Housing	Number of new homes as a proportion of total homes	1.1%	1.2%	★	1.1%	1.4%	2.2%

Core Metric	Purpose	2024 Target	2024 Actual	Achieved	2022/23 Plus Dane Perf.	2022/23 Peer Group Perf.	2025 Plus Dane Target
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	54.6%	53.7%	★	51.4%	47.7%	53.3%
EBITDA MRI	Measures liquidity. Adjusts surplus for capitalised major repairs & depreciation. Measures the surplus generated compared to interest charge	50.4%	62.3%	★	43.9%	115.5%	42.4%
Social Housing Cost Per Unit	Measures the economy of costs	£5,390	£5,304	★	£5,141	£4,031	£6,069
Operating Margin - Overall	Excludes gain/loss on sale of Fixed assets	20.7%	20.1%	▲	8.2%*	14.2%	20.6%
Operating Margin - Social Housing	Measures efficiency of operating assets	29.1%	25.4%	▲	17.5%*	19.9%	27.7%
ROCE	Measures efficiency of investment of capital resources	2.7%	2.9%	★	1.3%*	3.1%	2.9%

### Metric 1 Reinvestment %

Reinvestment in existing and new stock has improved throughout the year. A concerted focus on investment in our current stock and nearly £18m of capitalised works delivered in the year, combined with 19 more new homes than planned during the year has delivered an improvement in this metric. The focus continues, with progress on works relating to Wave 2 Social Housing Decarbonisation funding and another ambitious plan for the construction of new homes for the next year, and for the new three-year Corporate Plan. This is reflected in the target for 2025 of 9.7%.

## **Metric 2 New Supply Delivered %**

Delivery of 159 new homes, over and above the planned 140 homes has driven the positive performance demonstrated by this metric. The mix of supply delivered was 93 (58%) rental homes and 66 (42%) offered for shared ownership. Of those offered for affordable rent, 13% were to those classed as homeless illustrating Plus Dane's commitment to supporting cases with the highest housing need.

The new Corporate Plan outlines Plus Dane's continued ambition to offer more new social housing units and is again reflected in the target set for 2025. The plan seeks to deliver more than 700 homes over the next three years targeting 60% of these as affordable rental accommodation and 40% for those looking for affordable ownership options.

## **Metric 3 Gearing %**

Plus Dane's reliance on debt financing has been maintained within the targets set through the increase and enhancement to its asset base with no requirement for further financing in the year. The treasury strategy during for the past twelve months has facilitated opportunities to invest available funds while still being able to deliver on a strong development programme, and while refinancing will be required during 2027/28, the business plan approved in March 2024 continues with a commitment to develop and invest in social housing stocks.

## **Metric 4 EBITDA (MRI) Interest Cover %**

EBITDA MRI for the year has outperformed target during the year. Following the removal of the restrictive MRI covenants from all funding agreements (completed in May 2023), Plus Dane is better able to direct funding to capital reinvestment and begin the process of implementing a longer-term asset strategy that sees reactive repair work controlled through upfront reinvestment spend. A review of the capitalisation policy has been carried out in the year beginning this shift and facilitating early value adding decisions regarding capital investment. The target for EBITDA MRI for 2025 reflects the commitment that Plus Dane has given to repairs and reinvestment work as the Asset Strategy and use of the Social Housing Asset Performance Evaluation model is finalised and implemented.

## **Metric 5 Headline Social Housing Cost Per Unit (£)**

While performance against this metric for the year has been positive against the target set, the pressure on labour and material cost continues to hit, with a general upward trend in cost per unit experienced across the sector. The target set has been informed by the comprehensive programme of repair and maintenance that Plus Dane know it needs to deliver and is responsive to the expected continuation of pressure on labour and material cost.

## **Metric 6 Operating Margin %**

Operating margin for 2022/23 was suppressed as a result of the transactions relating to the exit of the defined benefit pension schemes. The underlying comparator year on year for overall operating margin was 24.5%. Operating margin for 2023/24 has fallen short of the target set for the year, the pressures around labour and material costs continue to hit hard and the increase in operating costs has proven challenging.

## Metric 7 Return on Capital Employed

ROCE refers to Plus Dane's ability to drive an operating profit on the assets that it holds. For 2024, it effectively represents success in increasing and enhancing assets while attempting to mitigate the impact of increased operating costs. The challenge continues for 2024/25 and is evident in the target set.

## 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, most recently approved in February 2024. 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.

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 Policy. Plus Dane borrows at both fixed and floating interest rates. Quarterly updates on treasury activity were provided to the Audit and Assurance Committee and the Board.

The Group has the ability to make use of hedging instruments via LL-ISDA and can enter into swaps to fix variable rate debt either at the time of drawdown or following a review of the loan portfolio and market conditions.

## 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 and exchange rate risk. Total borrowings as at 31 March 2024 were £374.7 million (2023: £376.6 million). Fixed rate loans account for approximately 72.1% 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 restructuring of its Santander term facility to a Revolving Credit Facility (RCF). The cash balance at the end of the year was £11.3m (2023: £47.3m); the year-end balance is the residual balance of private placement funds still to be used. Available balances have been placed on deposit throughout the year in line with the treasury policy requirement to achieve high valued returns reducing the overall finance cost detailed in note 7 & 8.

Finance costs increased to £15.9m (2023: £12.9m), and the overall Weighted Average Cost of Capital (WACC) also increased to 4.3% (2023: 3.7%). Plus Dane Housing has total facilities of £446.6m, (2023: £446.6m). The restructure of the Santander £118.9m term facility to a RCF has reduced the margin rate down to 1.15% from 1.65%, with £1.7m remaining undrawn and included within the £71.9m total undrawn funds (2023: £70.0m) across all facilities. The maturity of the group's borrowings is detailed in note 21 of the financial

statements. The group is subject to a range of covenants through its loan agreements. For the financial year 2023/24, the group has complied with all covenants.

Our Board has confirmed there is no change in overall direction for Plus Dane, just a continuation of our journey, while 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. The board has also adopted the principles set out in the NHF Code of Governance (2020), the International Standards of Auditing (UK and Ireland) and the Regulator of Social Housing's Governance & Viability Standard as referenced in the Directors' report.

## 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. We have a strong balance sheet, with net assets of £83.4m (2023: £81.2m). Net current liabilities are £28.2m (2023: net current asset £32.5m). Plus Dane has delivered a surplus in the year of £2.9m (2023: Deficit £4.4m driven by termination of Cheshire & Merseyside Defined Benefit Pension Funds).

The preparation of a robust thirty-year business plan (approved by Board in March 2024), 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 was headroom of £71.9m at 31 March 2024 (2023: £70.0m) on undrawn loans and work is already underway to look at future finance opportunities to provide further certainty over liquidity. As at the end of the financial year, Plus Dane held £11.3m cash and cash equivalents (2023: £47.4m).

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



A handwritten signature in black ink that reads "Alison Horner".

**Alison Horner**

Company Secretary 7 August 2024



# Independent auditors' report to the Members of Plus Dane Housing Limited for the year ended 31 March 2024

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Plus Dane Housing Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the Group and Association statements of comprehensive income, the Group and Association statements of changes in reserves, the Group and Association statement of financial position, the Group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

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

## Independence

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

## Conclusions relating to going concern

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

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

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

## Other information

The board are responsible for the other information. The other information comprises the information included in the financial statements, 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 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 to report to you if, in our opinion:

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

## Responsibilities of the board

As explained more fully in the 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

#### **Non-compliance with laws and regulations**

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and the Audit & Assurance Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be 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), 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.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be industry related such as compliance with employment law and the health & safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

## Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Audit & Assurance Committee regarding any known or suspected instances of fraud;
- Review of minutes from meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of journals, judgements and estimates made by management, and the income streams other than rental and service charges income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Completing substantive procedures on income recognised in income streams other than rental and service charges income to ensure that this had been appropriately included within the recognised revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

## Use of our report

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

BDO LLP  
Statutory Auditor  
Manchester, UK  
Date:

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

# group & association statements of comprehensive income

	Note	Group		Association	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Turnover:</b>	<b>3</b>	<b>87,435</b>	84,683	<b>87,435</b>	84,683
Operating costs	<b>3</b>	<b>(67,598)</b>	(72,723)	<b>(67,596)</b>	(72,716)
Cost of Sales	<b>3</b>	<b>(2,523)</b>	(5,034)	<b>(2,523)</b>	(5,034)
Surplus on sale of fixed assets	<b>3</b>	<b>1,579</b>	1,742	<b>1,579</b>	1,742
<b>Total operating surplus</b>	<b>9</b>	<b>18,893</b>	8,668	<b>18,895</b>	8,675
Interest receivable	<b>7</b>	<b>1,102</b>	373	<b>1,102</b>	373
Interest payable and similar charges	<b>8</b>	<b>(16,971)</b>	(13,259)	<b>(16,971)</b>	(13,259)
Other finance costs	<b>6</b>	<b>(91)</b>	(206)	<b>(91)</b>	(206)
<b>Surplus/(Loss) on ordinary activities before tax</b>		<b>2,933</b>	(4,424)	<b>2,935</b>	(4,417)
Tax on surplus/(deficit) on ordinary activities	<b>11</b>	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>2,933</b>	(4,424)	<b>2,935</b>	(4,417)
Actuarial gain/(loss) in respect of pension schemes	<b>6</b>	<b>(763)</b>	11,124	<b>(763)</b>	11,124
<b>Total comprehensive income</b>		<b>2,170</b>	6,700	<b>2,172</b>	6,707

The financial statements were approved by the Board on 1 August 2024 and signed on its behalf on 7 August 2024 by:



Sir Peter Fahy  
Chair



Gary Dixon  
Board Member



Alison Horner  
Company Secretary

The accompanying notes on pages 42 to 69 form part of these financial statements.

# group & association statements of changes in reserves

## Group

	£'000
<b>Balance as at 31 March 2022</b>	<b>74,541</b>
<b>Total comprehensive income</b>	
Deficit for the year	(4,424)
Actuarial gain/(loss) in respect of pension schemes	11,124
<b>Balance as at 31 March 2023</b>	<b>81,241</b>
<b>Total comprehensive income</b>	
Surplus for the year	2,933
Actuarial gain/(loss) in respect of pension schemes	(763)
<b>Balance as at 31 March 2024</b>	<b>83,411</b>

## Association

	£'000
<b>Balance as at 31 March 2022</b>	<b>74,949</b>
<b>Total comprehensive income</b>	
Deficit for the year	(4,417)
Actuarial gain/(loss) in respect of pension schemes	11,124
<b>Balance as at 31 March 2023</b>	<b>81,656</b>
<b>Total comprehensive income</b>	
Surplus for the year	2,935
Actuarial gain/(loss) in respect of pension schemes	(763)
<b>Balance as at 31 March 2024</b>	<b>83,828</b>

# group & association statement of financial position

	Note	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Housing properties	12	683,564	649,424	683,998	649,858
Investment properties	13	674	680	674	680
Other fixed assets	14	3,231	4,235	3,231	4,235
Homebuy loans receivable		866	942	866	942
		688,335	655,281	688,769	655,715
<b>Debtors: due after one year</b>	18	4,185	4,423	4,185	4,423
<b>Current assets</b>					
Stock	16	82	78	82	78
Properties for sale	17	7,286	4,359	7,286	4,359
Trade & other debtors due within a year	18	8,053	5,651	8,063	5,659
Cash and cash equivalents		11,314	47,354	11,276	47,316
		26,735	57,442	26,707	57,412
<b>Creditors: falling due within a year</b>	20	(54,933)	(24,975)	(54,922)	(24,964)
<b>Net current (liabilities)/assets</b>		(28,198)	32,467	(28,215)	32,448
<b>Total assets less current liabilities</b>		664,322	692,171	664,739	692,586
<b>Creditors: due after more than a year</b>	21	(578,504)	(608,772)	(578,504)	(608,772)
<b>Provisions for liabilities</b>					
Net pension liability	6	(2,407)	(2,158)	(2,407)	(2,158)
<b>Total net assets</b>		83,411	81,241	83,828	81,656
<b>Capital and reserves</b>					
Non-equity share capital	24	-	-	-	-
Revenue reserve		83,411	81,241	83,828	81,656
<b>Total reserves</b>		83,411	81,241	83,828	81,656

These financial statements were approved by the Board on 1 August 2024 and signed on its behalf on 7 August 2024 by:



Sir. Peter Fahy  
Chair



Gary Dixon  
Board Member



Alison Horner  
Company Secretary

The accompanying notes on pages 42 to 69 form part of these financial statements.

# group cash flow statement

	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Net cash generated from operating activities</b>	<b>26</b>		<b>25,980</b>		17,610
<b>Cash flow from investing activities</b>					
Purchase of tangible fixed assets		(49,305)		(35,854)	
Proceeds from sale of tangible fixed assets		3,628		4,036	
Grants received		1,548		1,969	
Homebuy loans repaid		76		62	
Lease Asset Capital Receipts		207		195	
Interest received		1,102		373	
			<b>(42,744)</b>		(29,219)
<b>Cash flow from financing activities</b>					
Interest paid		(17,346)		(14,053)	
Repayment of borrowings		(1,930)		(123,693)	
Drawdown of borrowings		-		195,000	
			<b>(19,276)</b>		57,254
<b>Net change in cash and cash equivalents</b>			<b>(36,040)</b>		45,646
<b>Cash and cash equivalents at beginning of the year</b>			<b>47,354</b>		1,708
<b>Cash and cash equivalents at end of the year</b>	<b>27</b>		<b>11,314</b>		47,354

The accompanying notes on pages 42 to 69 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 of the group are prepared in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice (UK GAAP)) including the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations, the Housing and Regeneration Act 2008, 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 (£) and prepared under the historical cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

In preparing the separate financial statements of the Association, the following disclosure exemptions available in FRS102 have been taken:

- No cash flow statement or net debt reconciliation has been presented for the Association.

### Going concern

The financial statements have been prepared on a going concern basis as per FRS102.

The group has a strong balance sheet with net assets of £83.4m (2023: £81.2m). Net current liabilities are £28.2m (2023: net current asset £32.5m).

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 £71.9m of undrawn facilities at 31 March 2024), 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 in applying accounting policies**

Preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. 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. The Group has undertaken a review to identify specified individual components in addition to previously existing components, main structure and land; these are considered when evaluating initial recognition of development costs. 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.

## 7. 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.

## 8. Defined benefit obligation (DBO)

Management's estimate of the DBO relating to the closed remaining defined benefit pension scheme is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variations to these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 6).

## Basis of consolidation

The consolidated accounts present the results of Plus Dane Housing Association and its subsidiary at 31 March 2024 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

## Investment in subsidiaries

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

- Interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

- 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.

## 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.

## Recycled Capital Grand Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

## 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:

Component	Years	Component	Years
Main Structure	80	Aids & Adaptations	15
Roofs (non-block)	50	Fire Alarms*	25
Roofs (blocks under 6 storeys)	30	Fire Sprinklers*	20
Windows	30	Electric Gates*	15
Doors (Communal & External)	30	Lightning Conductors*	25
Boilers	15	Water Boost Pumps*	20
Heating Systems	30	CCTV*	15
Kitchens	20	Cold Water Storage Tanks*	25
Bathrooms	30	EV Charge Point (pedestal)*	15
Electrical Wiring	30	EV Charge Point (wallmount)*	15
Passenger Lifts	30	Play Area*	30
Septic Tanks	40	Rainwater Harvest System*	20
External Joinery & Cladding	30	Solar Panels*	25

\* denotes Bespoke Components identified during a cyclical review of the Plus Dane Capitalisation Policy. Where any of these components were previously in existence, the value was incorporated as part of the main structure (or other more relevant component type) and largely depreciated over 80 years. This does not constitute a change of accounting policy, but a change of accounting estimate per section 10 of FRS102.

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 on a straight line basis. The principal annual rates used for other assets are:

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

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.

## Impairment of Fixed Assets and Goodwill

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU-SP.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.

## 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.

For shared ownership properties the value held as current assets is the estimated cost to be sold as a first tranche.

On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of the properties, marketing and other incidental costs are included in cost of sales.

## **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	2024				2023			
	Turnover	Cost of Sales	Operating costs	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>	<b>80,359</b>	-	<b>(59,769)</b>	<b>20,590</b>	73,798	-	(60,374)	13,424
<b>Other social housing activities</b>								
Development services	-	-	(2)	(2)	-	-	(7)	(7)
Supporting people contracts	766	-	(4,224)	(3,458)	792	-	(6,292)	(5,500)
Management services and other	83	-	(92)	(9)	68	-	(96)	(28)
Leased to others	1,206	-	(65)	1,141	1,166	-	(181)	985
Community regeneration	-	-	(1,060)	(1,060)	-	-	(1,583)	(1,583)
First tranche shared ownership	3,301	(2,523)	-	778	6,663	(5,034)	-	1,629
Other	561	-	(1,366)	(805)	174	-	(1,894)	(1,720)
	<b>5,917</b>	<b>(2,523)</b>	<b>(6,809)</b>	<b>(3,415)</b>	<b>8,863</b>	<b>(5,034)</b>	<b>(10,053)</b>	<b>(6,224)</b>
Surplus on sale of fixed assets				<b>1,579</b>				<b>1,742</b>
	<b>5,917</b>	<b>(2,523)</b>	<b>(6,809)</b>	<b>(1,836)</b>	<b>8,863</b>	<b>(5,034)</b>	<b>(10,053)</b>	<b>(4,482)</b>
<b>Non-social housing activities</b>								
Commercial lettings	162	-	(28)	134	121	-	(147)	(26)
Management contract	-	-	-	-	-	-	-	-
Help to Buy agency	-	-	-	-	629	-	(542)	87
Market rental	997	-	(992)	5	1,272	-	(1,530)	(258)
Other*	-	-	-	-	-	-	(77)	(77)
	<b>1,159</b>	-	<b>(1,020)</b>	<b>139</b>	<b>2,022</b>	-	<b>(2,296)</b>	<b>(274)</b>
	<b>87,435</b>	<b>(2,523)</b>	<b>(67,598)</b>	<b>18,893</b>	<b>84,683</b>	<b>(5,034)</b>	<b>(72,723)</b>	<b>8,668</b>

Association	2024				2023			
	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>	<b>80,359</b>	-	<b>(59,769)</b>	<b>20,590</b>	73,798	-	(60,374)	13,424
<b>Other social housing activities</b>								
Supporting people contracts	766	-	(4,224)	(3,458)	792	-	(6,292)	(5,500)
Management services	83	-	(92)	(9)	68	-	(96)	(28)
Leased to others	1,206	-	(65)	1,141	1,166	-	(181)	985
Community regeneration	-	-	(1,060)	(1,060)	-	-	(1,583)	(1,583)
First tranche shared ownership	3,301	(2,523)	-	778	6,663	(5,034)	-	1,629
Other	561	-	(1,366)	(805)	174	-	(1,894)	(1,720)
	<b>5,917</b>	<b>(2,523)</b>	<b>(6,807)</b>	<b>(3,413)</b>	<b>8,863</b>	<b>(5,034)</b>	<b>(10,046)</b>	<b>(6,217)</b>
Surplus on sale of fixed assets	-	-	-	1,579	-	-	-	1,742
	<b>5,917</b>	<b>(2,523)</b>	<b>(6,807)</b>	<b>(1,834)</b>	<b>8,863</b>	<b>(5,034)</b>	<b>(10,046)</b>	<b>(4,475)</b>
<b>Non-social housing activities</b>								
Commercial Lettings	162	-	(28)	134	121	-	(147)	(26)
Management contract	-	-	-	-	-	-	-	-
Help to Buy agency	-	-	-	-	629	-	(542)	87
Market rental	997	-	(992)	5	1,272	-	(1,530)	(258)
Other	-	-	-	-	-	-	(77)	(77)
	<b>1,159</b>	-	<b>(1,020)</b>	<b>139</b>	<b>2,022</b>	-	<b>(2,296)</b>	<b>(274)</b>
	<b>87,435</b>	<b>(2,523)</b>	<b>(67,596)</b>	<b>18,895</b>	<b>84,683</b>	<b>(5,034)</b>	<b>(72,716)</b>	<b>8,675</b>

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

	General Needs housing	Supported housing & housing for older people	Shared ownership	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
Rent receivable net of service charges	64,642	3,254	2,343	70,239	65,031
Service charges receivable	2,758	2,335	336	5,429	4,200
Charges for support services	426	345	-	771	692
Government Grants	3,444	372	107	3,923	3,875
<b>Turnover from social housing lettings</b>	<b>71,267</b>	<b>6,306</b>	<b>2,786</b>	<b>80,362</b>	<b>73,798</b>
<b>Expenditure on social housing lettings</b>					
Management	10,936	216	370	11,522	16,096
Services	3,100	3,038	439	6,577	5,779
Routine and planned maintenance	19,219	1,002	-	20,221	19,921
Major repairs expenditure	6,758	390	2	7,150	4,675
Rent losses from bad debts	317	9	1	327	686
Support services costs	105	23	-	128	44
Depreciation of housing properties	12,668	775	402	13,845	13,173
<b>Operating costs on social housing lettings</b>	<b>53,103</b>	<b>5,453</b>	<b>1,214</b>	<b>59,770</b>	<b>60,374</b>
<b>Operating surplus on social housing lettings</b>	<b>18,164</b>	<b>853</b>	<b>1,572</b>	<b>20,592</b>	<b>13,424</b>
<b>Rent losses from voids</b>	<b>527</b>	<b>228</b>	<b>39</b>	<b>794</b>	<b>583</b>

### 4 Accommodation in management and development Group and Association

Owned and managed by the Group	2024	2023
	Homes	Homes
<b>Social housing</b>		
General housing:		
- Social Rent	9,111	9,124
- Affordable Rent	2,310	2,217
- Intermediate Rent	363	363
Supported housing		
- Social Rent	466	466
- Affordable Rent	40	40
Low cost home ownership	791	744
Leaseholder units	247	240
<b>Total owned and managed</b>	<b>13,328</b>	<b>13,194</b>
<b>Managed for others</b>	<b>242</b>	<b>235</b>
Supported housing	164	161
Extra Care (Belong)	72	72

Supported (Other Providers)	165	168
<b>Total Managed by others</b>	<b>401</b>	401
<b>Non-social housing</b>		
Market rented (Grosvenor)	95	95
Market rented (Owned)	21	21
	<b>116</b>	116
Total owned and in management	<b>14,087</b>	13,946
<b>Under development</b>		
Accommodation in development at the year end	<b>368</b>	434

## 5 Directors' emoluments and expenses Group and Association Directors

### Directors

The remuneration for the executive directors of Plus Dane Housing Limited for the year ended 31 March 2024 is detailed in the table below.

	Basic salary	Pension contribution	National Insurance	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Ian Reed Chief Executive	180	11	23	214	182
Paul Knight Chief Operating Officer (resigned September 2023)	131	4	13	148	147
Claire Dixon Deputy Chief Executive	128	8	14	150	139
<b>Total</b>	<b>439</b>	<b>23</b>	<b>50</b>	<b>512</b>	468

The emoluments of the highest paid director of the Group and Association, the Chief Executive, including pension contributions were £191k. The Chief Executive was an ordinary member of the pension scheme, and no enhanced or special terms apply. During the year, the Group and Association did not make any further contribution to an individual pension arrangement for the Chief Executive.

### Board & independent members

	2024 Total £'000	2023 Total £'000
Sir Peter Fahy (Chair)	15	15
Robin Lawler (Resigned 22 September 2022)	-	3
Ann Hoskins	8	7
Gary Dixon	8	7
Julie Gill (Resigned 25 May 2023)	1	5
Thomas McIlravey	8	7
Jon Corner	8	5
Lyndsey Burkert (Resigned 31 January 2024)	5	5
Frances Chaplin	6	6
Gillian Healey	6	5
Marie Bintley	6	5
David Parr (appointed 1 July 2023)	5	-
Earl Jenkins (appointed 1 July 2023)	5	-
Suzanne Horrill (appointed 1 July 2023)	5	-
Robert O'Malley - Independent Committee Member (Resigned 16 May 2023)	-	2

Scott Murray - Independent Committee Member (Resigned 28 March 2024)	<b>3</b>	2
Peter McPartland - Independent Committee Member (Resigned 31 January 2024)	<b>2</b>	2
Mark Beach - Independent Committee Member (Resigned 28 March 2024)	<b>3</b>	2
Faye Whiteoak - Independent Committee Member (Resigned 22 September 2022)	-	1
Victoria Matthews - Independent Committee Member	<b>3</b>	2
Chad Thompson - Independent Committee Member	<b>3</b>	2
Hannah Evans – Independent Committee Member (appointed 1 September 2023)	<b>2</b>	-
	<b>102</b>	83

During the year, fees of £101,924 (2023: £83,146) were paid to Board members and expenses paid amounted to £421 (2023: £16).

## 6 Employees

### Group and Association Employee costs

	2024	2023
Employee costs	£'000	£'000
Wages and salaries	<b>19,897</b>	18,732
Social security costs	<b>1,883</b>	1,911
Other pension costs	<b>1,135</b>	1,465
	<b>22,915</b>	22,108

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

	2024	2023
	Number	Number
Housing, support and care	<b>424</b>	<b>422</b>
Administration and Development	<b>117</b>	<b>104</b>
	<b>541</b>	<b>526</b>

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:

	2024	2023
	No.	No.
£60,001 to £70,000	<b>7</b>	8
£70,001 to £80,000	<b>5</b>	4
£80,001 to £90,000	<b>4</b>	4
£90,001 to £100,000	<b>4</b>	4
£100,001 to £110,000	<b>1</b>	2
£110,001 to £120,000	-	-
£120,001 to £130,000	<b>2</b>	-
£130,001 to £140,000	<b>1</b>	1
£140,001 to £150,000	-	1
£150,001 to £160,000	-	-
£160,001 to £170,000	-	1
£170,001 to £180,000	-	-
£180,001 to £190,000	-	1
£190,001 to £200,000	<b>1</b>	-
£200,001 to £210,000	-	-

## 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 since 31 July 2022 with a decision made by the Board to not crystallise the debt in the current year.

### Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2024 (£000s)	2023 (£000s)
Fair value of plan assets	<b>10,230</b>	10,652
Present value of defined benefit obligation	<b>12,637</b>	12,810
Net defined benefit asset/(liability) to be recognised	<b>(2,407)</b>	(2,158)

Prior year costs recognised in Other Comprehensive Income includes costs in relation to the Merseyside pension Fund and Cheshire Pension Fund which were both exited from 31 July 2022 and debt crystallised and paid in full in prior year therefore extinguishing all future liabilities in relation to both schemes.

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

	2024		2023		(£000s)
	SHPS	SHPS	MPF	CPF	
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	<b>(1,187)</b>	(8,252)	(909)	(2,297)	(11,458)
Experience gains and losses arising on the plan liabilities - gain (loss)	<b>82</b>	784	(3,142)	2,242	(116)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	<b>124</b>	27	(478)	(342)	(793)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	<b>218</b>	6,743	11,392	5,356	23,491
Total amount recognised in other comprehensive income - gain (loss)	<b>(763)</b>	(698)	6,863	4,959	11,124

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

	2024		2023		(£000s)
	SHPS	SHPS	MPF	CPF	
Current service costs	-	71	268	186	525
Past service costs	-	-	-	-	-
Expenses	<b>13</b>	13	-	-	13
Loss on settlement	-	-	4522	5078	9,600
Amounts charged to operating costs	<b>13</b>	84	4,790	5,264	10,138
Net Interest charges	<b>91</b>	48	40	10	98
Amounts charged to net financing costs	<b>91</b>	48	40	10	98
Amounts charged to SOCI	<b>104</b>	132	4,830	5,274	10,236

## Reconciliation of opening and closing balances of the defined benefit obligation

	2024 (£000s)	2023 (£000s)
Defined benefit obligation at start of period	12,810	19,997
Current service cost	-	71
Expenses	13	13
Interest expense	613	553
Contributions by plan participants	-	44
Actuarial losses (gains) due to scheme experience	(82)	(784)
Actuarial losses (gains) due to changes in demographic assumptions	(124)	(27)
Actuarial losses (gains) due to changes in financial assumptions	(218)	(6,743)
Benefits paid and expenses	(375)	(314)
Defined benefit obligation at end of period	12,637	12,810

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

	2024 (£000s)	2023 (£000s)
Fair value of plan assets at start of period	10,652	17,958
Interest income	522	505
Experience on plan assets (excl. amounts included in interest income) - gain (loss)	(1,187)	(8,252)
Contributions by the employer	618	711
Contributions by plan participants	-	44
Benefits paid and expenses	(375)	(314)
Fair value of plan assets at end of period	10,230	10,652

## Assets

	2024 (£000s)	2023 (£000s)
Absolute Return	399	115
Alternative Risk Premia	325	20
Credit Relative Value	335	402
Distressed Opportunities	361	322
Emerging Markets Debt	132	57
Global Equity	1,019	199
High Yield	2	37

Infrastructure	<b>1,033</b>	1,217
Insurance-Linked Securities	<b>53</b>	269
Liability Driven Investment	<b>4,163</b>	4,906
Long Lease Property	<b>66</b>	321
Net Current Assets	<b>18</b>	27
Opportunistic Illiquid Credit	<b>400</b>	456
Opportunistic Credit	-	1
Private Debt	<b>403</b>	474
Property	<b>411</b>	459
Risk Sharing	<b>599</b>	784
Secured Income	<b>305</b>	489
Cash	<b>202</b>	77
Private Equity	<b>8</b>	-
Currency Hedging	<b>(4)</b>	20
<b>Total assets</b>	<b>10,230</b>	10,652

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.

## Financial Assumptions

	2024 % per annum	2023 % per annum
Discount Rate	<b>4.92%</b>	4.84%
Inflation (RPI)	<b>3.09%</b>	3.17%
Inflation (CPI)	<b>2.79%</b>	2.80%
Salary Growth	<b>3.79%</b>	3.80%
Allowance for commutation of pension for cash at retirement	<b>75% of maximum allowance</b>	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024 (years)	2023 (years)
<b>Current Pensioners</b>		
- Males	<b>20.5</b>	21.0
- Females	<b>23.0</b>	23.4
<b>Future Pensioners</b>		
- Males	<b>21.8</b>	22.2
- Females	<b>24.4</b>	24.9

## 7 Interest receivable

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable and similar income	<b>1,102</b>	373	<b>1,102</b>	373

## 8 Interest payable

Group and Association	2024	2023
	£'000	£'000
Interest on bank loans and overdrafts	<b>17,316</b>	13,452
RCGF Interest	<b>87</b>	28
Refinancing costs written off	<b>500</b>	31
	<b>17,903</b>	13,511
Less: interest capitalised in housing property costs	<b>(932)</b>	<b>(252)</b>
	<b>16,971</b>	13,259
Capitalisation rate used to determine the finance costs capitalised during the period	<b>4.3%</b>	3.7%

## 9 Operating surplus

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Is stated after charging:</b>				
Depreciation of housing properties	<b>13,845</b>	12,732	<b>13,845</b>	12,732
Impairment of housing properties	-	67	-	67
Impairment of investment properties	-	77	-	77
Depreciation of other tangible fixed assets	<b>637</b>	587	<b>637</b>	587
Operating lease charges:				
- Land and buildings	<b>789</b>	502	<b>789</b>	502
- Motor Vehicles	<b>845</b>	781	<b>845</b>	781
- Plant and equipment	<b>34</b>	50	<b>34</b>	50
<b>Auditor's remuneration (excluding VAT):</b>				
- for audit services	<b>89</b>	63	<b>89</b>	60
- for audit related services	<b>2</b>	2	<b>2</b>	2
- tax compliance	<b>5</b>	4	<b>3</b>	1

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

## 10 Surplus on sale of fixed assets - housing properties

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Disposal proceeds	<b>3,854</b>	3,866	<b>3,854</b>	3,866
Carrying value of fixed assets	<b>(2,275)</b>	(2,124)	<b>(2,275)</b>	(2,124)
	<b>1,579</b>	1,742	<b>1,579</b>	1,742

## 11 Tax on surplus/(deficit) on ordinary activities

The current tax charge for the year varies from the standard rate of corporation tax in the United Kingdom of 25% (2023: 19%). The differences are explained below:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus/(Deficit) on ordinary activities subject to tax	2,933	(4,424)	2,935	(4,417)
Expected tax charge at 25% (2023:19%)	733	(841)	734	(839)
<b>Effects of:</b>				
Expenses not deductible for tax purposes	21,795	17,331	21,795	17,331
Income not taxable	(22,529)	(16,492)	(22,529)	(16,492)
Remeasurement of deferred tax	-	-	-	-
Deferred tax not recognised	1	2	-	-
Tax charge for the period	-	-	-	-

## 12 Tangible fixed assets - Housing properties- Group

	Housing properties to rent			Shared ownership	
	Held for letting	Under construction	Held for letting	Under construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023	752,010	24,695	45,776	338	822,819
Additions	17,491	24,596	-	7,785	49,872
Schemes completed in year	13,451	(13,451)	3,122	(3,122)	-
Disposals	(3,733)	-	(1,072)	-	(4,805)
At 31 March 2024	779,219	35,840	47,826	5,001	867,886
<b>Depreciation &amp; impairment</b>					
At 1 April 2023	170,321	53	3,000	21	173,395
Charged in year	13,430	-	415	-	13,845
Impairment in year	-	-	-	-	-
Schemes completed in year	53	(53)	21	(21)	-
Released on disposal	(2,743)	-	(175)	-	(2,918)
At 31 March 2024	181,061	-	3,261	-	184,322
<b>Net book value</b>					
At 31 March 2024	598,158	35,840	44,565	5,001	683,564
At 31 March 2023	581,689	24,642	42,776	317	649,424

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

	2024 £'000	2023 £'000
Freehold	555,113	522,350
Long Leasehold	116,305	115,937
Short Leasehold	12,146	11,137
	<b>683,564</b>	<b>649,424</b>

## 12 Tangible fixed assets - Housing properties – Association

	Housing properties to rent		Shared ownership		Total £'000
	Held for letting £'000	Under construction £'000	Held for letting £'000	Under construction £'000	
<b>Cost</b>					
At 1 April 2023	752,444	24,695	45,776	338	823,253
Additions	17,491	24,596	-	7,785	49,872
Schemes completed in year	13,451	(13,451)	3,122	(3,122)	-
Disposals	(3,733)	-	(1,072)	-	(4,805)
At 31 March 2024	779,653	35,840	47,826	5,001	868,320
<b>Depreciation &amp; impairment</b>					
At 1 April 2023	170,321	53	3,000	21	173,395
Charged in year	13,430	-	415	-	13,845
Impairment in year	-	-	-	-	-
Schemes completed in year	53	(53)	21	(21)	-
Released on disposal	(2,743)	-	(175)	-	(2,918)
At 31 March 2024	181,061	-	3,261	-	184,322
<b>Net book value</b>					
At 31 March 2024	598,592	35,840	44,565	5,001	683,998
At 31 March 2023	582,123	24,642	42,776	317	649,858

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

	2024 £'000	2023 £'000
Freehold	555,465	522,700
Long Leasehold	116,379	116,014
Short Leasehold	12,154	11,144
	<b>683,998</b>	649,424

### Social Housing Assistance

Social Housing Grant - Group and Association	2024 £'000	2023 £'000
Total accumulated SHG received or receivable at 31 March		
Recognised in the Statement of Comprehensive Income	3,966	3,917
Held as deferred income (Note 23)	<u>235,188</u>	<u>238,828</u>
	<b>239,152</b>	<b>242,745</b>

Recognised in the Statement of Comprehensive Income £3,966k 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:	2024 £'000	2023 £'000
Amounts capitalised	17,850	10,865
Amounts charged to income statement	3,827	3,419
	<b>21,677</b>	14,284

## 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 Housing SORP 2018.

Social housing properties were assessed for impairment with £nil impairment (2023: £67k).

## 13 Investment properties Group and Association

	Total £'000
<b>Valuation</b>	
At 1 April 2023	680
Additions	-
Disposal	(6)
Revaluation	-
At 31 March 2024	674

The group's commercial investment properties were subject to external valuations as at 31 March 2024. The valuations were carried out by Pantera Property, Harrogate and Legat Owen under instruction from the directors of Plus Dane Housing Limited. The disposal relates to the sale of 3 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
<b>Cost</b>					
At 1 April 2023	4,355	2,095	42	5,970	12,462
Additions	-	-	-	440	440
Disposals	(2,170)	-	-	-	(2,170)
At 31 March 2024	2,185	2,095	42	6,411	10,732
<b>Depreciation</b>					
At 1 April 2023	2,808	601	42	4,776	8,227
Charged for the year	53	135	-	449	637
Disposals	(1,363)	-	-	-	(1,363)
At 31 March 2024	1,498	736	42	5,225	7,501
<b>Net book value</b>					
At 31 March 2024	687	1,359	-	1,185	3,231
At 31 March 2023	1,547	1,494	-	1,194	4,235

## 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

At the year end, Plus Dane Housing Limited owned 100% of issued share capital in Dane Partnership Homes Limited. The company has not traded during the year, the principal

activities of the company when trading consist of the provision of a design and build service in relation to the construction of residential properties.

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 Stock Group and Association

	2024 £'000	2023 £'000
Consumables	82	78

## 17 Properties for sale Group and Association

Shared Ownership	2024 £'000	2023 £'000
Completed properties	2,210	2,019
Under construction	5,076	2,340
Shared ownership at cost 31 March	<b>7,286</b>	<b>4,359</b>

## 18 Debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Amounts receivable after one year</b>				
Amounts receivable under finance lease (note 19)	4,179	4,398	4,179	4,398
Other Long-Term debtors	6	25	6	25
	<b>4,185</b>	4,423	<b>4,185</b>	4,423
<b>Amounts receivable within one year</b>				
Rent and service charges	6,394	5,700	6,394	5,700
Less: provision for bad debts	(4,575)	(4,551)	(4,575)	(4,551)
	<b>1,819</b>	1,149	<b>1,819</b>	1,149
Amounts receivable under finance lease (note 19)	219	207	219	207
Loans to employees	3	4	3	4
Amounts due from fellow Group undertakings	-	-	10	8
Other debtors and prepayments	6,012	4,291	6,012	4,291
	<b>8,053</b>	5,651	<b>8,063</b>	5,659
	<b>12,238</b>	10,074	<b>12,248</b>	10,082

The loans to employees relate to a cycle scheme £3k (2023: £4k).

## 19 Amounts receivable under finance lease Group and Association

Amounts receivable under finance leases amount to £4,396k (2023: £4,604k). This represents the value of the finance lease at 31 March 2024 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:

	2024	2023
	£'000	£'000
Within one year	<b>219</b>	207
Between one and two year	<b>231</b>	218
Between two and five years	<b>786</b>	741
After five years	<b><u>3,160</u></b>	<u>3,438</u>
	<b><u>4,396</u></b>	<u>4,604</u>

## 20 Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Loans (see note 22)	<b>27,040</b>	1,930	<b>27,040</b>	1,930
Less: issue costs	<b><u>(222)</u></b>	<u>(275)</u>	<b><u>(222)</u></b>	<u>(275)</u>
	<b>26,818</b>	1,655	<b>26,818</b>	1,655
Trade creditors	<b>3,385</b>	2,257	<b>3,385</b>	2,257
Social Housing Grant received in advance	<b>116</b>	116	<b>116</b>	116
Rent received in advance	<b>3,117</b>	3,048	<b>3,117</b>	3,048
Other tax and social security	<b>517</b>	487	<b>517</b>	487
Accruals and deferred income	<b>14,595</b>	10,697	<b>14,595</b>	10,697
Recycled Capital Grant Fund (see note 24)	<b>721</b>	195	<b>721</b>	195
Amounts due to Group undertakings	-	-	-	-
Other creditors	<b>1,528</b>	1,462	<b>1,517</b>	1,451
Deferred Grant Income (see note 23)	<b>3,966</b>	3,917	<b>3,966</b>	3,917
Amounts due to pension funds	<b>170</b>	1,141	<b>170</b>	1,141
	<b>54,933</b>	24,975	<b>54,922</b>	24,964

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

	2024	2023
	£'000	£'000
Bank loans (see note 22)	<b>347,668</b>	374,708
Less: issue costs	<b><u>(1,762)</u></b>	<u>(2,088)</u>
	<b>345,906</b>	372,620
Deferred grant income (see note 23)	<b>231,222</b>	234,911
Recycled Capital Grant Fund (see note 24)	<b>1,374</b>	1,241
	<b><u>578,502</u></b>	<u>608,772</u>

## 22 Debt Analysis Group and Association

	2024 £'000	2023 £'000
<b>Due within one year</b>		
Bank loans	27,040	1,930
Less issue costs	(222)	(275)
	<b>26,818</b>	<b>1,655</b>
<b>Due after more than one year</b>		
Bank loans	347,668	374,708
Less issue costs	(1,762)	(2,088)
	<b>345,906</b>	<b>372,620</b>
<b>Total borrowings</b>	<b><u>372,724</u></b>	<b><u>374,275</u></b>

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 rates of interest of between 2.5% and 10.73%. The level of undrawn facilities at the year-end stands at £71.9m (2023: £70.0m).

### Terms of repayment

	2024 £'000	2023 £'000
Within one year	<b>27,040</b>	1,930
Between one and two years	<b>44</b>	29,114
Between two and five years	<b>127,162</b>	125,072
In five or more years	<b><u>220,462</u></b>	<b><u>220,522</u></b>
	<b>374,708</b>	376,638
Less issue costs	<b>(1,984)</b>	(2,363)
	<b><u>372,724</u></b>	<b><u>374,275</u></b>

## 23 Deferred grant income Group and Association

	2024 £'000	2023 £'000
At 1 April	<b>238,828</b>	242,640
Capital Grants received	-	730
Recycled Capital Grants	-	-
Other Grants received	<b>976</b>	259
<b>Grants received in the year</b>	<b>976</b>	989
Amortised Government Grant released	<b>(3,966)</b>	(3,917)
Released on sale of Fixed Asset	<b>(650)</b>	(884)
<b>Released to income in the year</b>	<b>(4,616)</b>	(4,801)
At 31 March	<b>235,188</b>	238,828
	<b>2024 £'000</b>	<b>2023 £'000</b>
Amounts to be released within one year	<b>3,966</b>	3,917
Amounts to be released in more than one year	<b>231,222</b>	234,911
	<b>235,188</b>	238,828

## 24 Recycled Capital Grant Fund (RCGF) Group and Association

	2024 £'000	2023 £'000
At 1 April	1,436	671
Grants recycled upon relevant events	572	737
Interest credited	87	28
Utilised in the year	-	-
At 31 March	2,095	1,436
<b>Disclosed as:</b>		
Amounts falling due within one year	721	195
Amounts falling due after one year	1,374	1,241
	2,095	1,436

## 25 Share capital

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
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	2024 £'000	2023 £'000
<b>NET surplus</b>	2,933	(4,424)
<b>Adjustment for non-cash items:</b>		
Depreciation and impairment of tangible fixed assets	14,482	13,385
Decrease/(increase) in stock	(4)	94
Decrease / (increase) in properties for sale	(2,927)	(252)
Decrease/(increase) in trade and other debtors	(2,370)	(1,127)
Decrease in trade and other creditors	4,145	1,100
Pension costs less contributions payable	(605)	1,275
Impairment/Revaluation of investment properties	-	77
Share of (surplus)/deficit in associate	-	7
Gain on the sale of tangible Fixed Assets	(1,579)	(1,742)
Government grants utilised in the year	(3,965)	(3,875)
Interest Expense	16,971	13,465
Interest Income	(1,102)	(373)
Net cash generated from operating activities	25,979	17,610

## 27 Net Debt reconciliation

	1st April 2023	Cashflow	Other Non-Cash	31st March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	47,354	(36,040)	-	11,314
Security Bonds	(5,272)	5,206	-	(66)
Bank Loans	<u>(374,274)</u>	<u>1,930</u>	<u>(380)</u>	<u>(372,724)</u>
	<b>(332,192)</b>	<b>(28,904)</b>	<b>(380)</b>	<b>(361,475)</b>

## 28 Capital commitments Group and Association

	2024	2023
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	26,842	43,954
Capital expenditure that has been authorised but not yet contracted for	<u>78,861</u>	<u>57,550</u>
	<b>105,703</b>	101,504
The Group expects to finance the above commitments by:		
Social Housing Grant receivable	24,438	11,105
Loan facilities, shared ownership stair-casing sales and other trading cash flows	<u>81,265</u>	<u>90,399</u>
	<b>105,703</b>	101,504

## 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. Awaiting further communications from the Trustees of the Pensions Trust.

## 30 Commitments under operating leases Group and Association

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

	2024	2023
	£'000	£'000
Not later than one year	1,149	1,407
Later than one year and not later than five years	4,006	3,984
Later than five years	<u>2,190</u>	<u>2,665</u>
	<b>7,345</b>	8,056

### 31 Bond Guarantee Group and Association

The group have the following bond guarantees in place as at 31 March 2024.

Beneficiary	Issue date	Expiry	2024 Amount £'000	2023 Amount £'000	Bond type
Liverpool City Council	11/10/2011		65.6	65.6	Performance
Cheshire West & Chester Council	18/10/2017	01/05/2023	-	4,650	Pension guarantees
Wirral Borough Council	30/12/2011		-	556	Pension guarantees

Two bonds released in year following the crystallisation of debt for both of the exited defined benefit pension schemes Merseyside Pension Fund and Cheshire Pension Fund.

### 32 Related Parties Group and Association

During the year the group participated in the Social Housing Pension Scheme (SHPS), administered by the Pension's Trust. Transactions between the group and the pension scheme are contained within Note 6.

During the year the group did not have any transactions with related parties who are not members of the Group.

The Association had 1 tenant Board members during the year (2023: 1) with rents during the year of £4.9k (2023: £4.5k) with amounts outstanding as at 31 March 2024 £72 (2023: £163).

### 33 Post Balance Sheet Events

There are no post balance sheet events.

