



DERWENT HOUSING ASSOCIATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the year ending 31 March 2022

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**Derwent Housing Association Limited**  
**Board of management, Executives and Advisers**  
**For the year ending 31 March 2022**

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**Board of Directors**

**Non Executives**

R Docker (Chair) (resigned 01 May 2021)  
R Gregory (Chair) (appointed 01 May 2021)  
R Cartwright (appointed 01 November 2021)  
A Daniel (appointed 01 May 2021)  
M Dunn (appointed 01 January 2022)  
R Finn (appointed 01 May 2021)  
H Fridell (appointed 01 November 2021, resigned 30 June 2022)  
N Hopkins (appointed 01 May 2021)  
G Waddell (appointed 01 May 2021)  
D Good (resigned 01 May 2021)  
G Kitchen (appointed 01 May 2021)  
L Lackey (resigned 30 September 2021)  
Y Taylor (resigned 01 May 2021)

**Executives**

D Marriott-Lavery (resigned 06 August 2022)  
S Black (appointed 01 May 2021)  
G Reed (appointed 01 October 2021)  
T Weightman (appointed 01 May 2021)  
A Winstanley (appointed 01 May 2021)  
D Cowans (resigned 01 December 2021)

**Company Secretary**

C Martin

**Registered Office**

305 Gray's Inn Road  
London  
WC1X 8QR

**Bankers**

Barclays Bank Plc  
38 Fishergate  
Preston  
PR1 2AD

**Registered Auditors**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

**Registration of the Company**

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 (Registered number 18127R) and the Housing and Regeneration Act 2008 (Number L0715). It is also affiliated to the National Housing Federation.

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**Derwent Housing Association Limited**  
**Report of the Board**  
**For the year ending 31 March 2022**

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**Report of the Board**

The board of Directors is pleased to present its report and the audited financial statements for the year ended 31 March 2022.

**Nature of the Association**

Derwent Housing Association Limited is a not-for-profit Registered Society and registered provider of social housing whose primary business is the provision of housing at affordable rents for those in most need.

**Results**

The Association's surplus for the year before taxation was £6.2m (2021: £7.2m).

The Association's key performance indicators and principal risks and uncertainties are aligned with those of the ultimate parent undertaking, Places for People Group Limited, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 305 Gray's Inn Road, London, WC1X 8QR.

**Review of the year**

The turnover for the Association for the year ended 31 March 2022 was £58.0m (2021: £59.4m), the majority of the movement relates to an decrease in social housing sales. The operating profit has remained in line year on year at £22.9m (2021: £23.9m).

**Customer Participation**

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers.

**Internal Control**

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2022 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

**Board and Committee Structure**

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Derwent Housing Association Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

**Corporate Governance**

The board has regard to the UKCG code when setting its corporate governance, by which it governs the organisation. In doing so the Board closely follows the principles followed by Group.

Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

The Association has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. The Group Board takes direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. Group Board members are also appointed members of the board of the Association and now have full oversight of the operations of the Association. This further ensures that the provisions of the Code are met in respect of the Association.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. The Association is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, the Association's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including the Association.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.

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**Derwent Housing Association Limited**  
**Report of the Board**  
**For the year ending 31 March 2022**

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**Corporate Governance (continued)**

The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level.

Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

**Going concern statement**

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. As part of this assessment the Board monitors the external economic and financial environment including any continuing impact of the Covid-19 pandemic, the war in Ukraine, the cost-of-living crisis and increased energy costs. The Board is focussed on mitigating the risks for the Group and has assessed the going concern considering the above factors along with the risks included in the Group risk register.

At 31 March 2022 the Group had cash and undrawn facilities of £1.1bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios. These scenarios include limited housing sales, reduction in rents collected, leisure centre closures, loss of management contracts, increase in interest rates, long term increase in inflation and the cost of meeting government sustainability targets.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2023 would be £600m and £360m at 31 March 2024 if the Group did not raise any additional finance to that which is currently available.

Derwent Housing Association Limited is part of the Guarantor Group and accesses funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the association.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

**Viability statement**

The UK Corporate Governance Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment. The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten. Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market. These events and scenarios have been selected from an analysis of the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period. Therefore, the Directors were satisfied that measures were in place. The Group Board can also confirm that it has complied with the Governance and Financial Viability Standard set out by the RSH. During the year, the RSH gave the Group ratings for Governance and Viability of G1 and V1 respectively.

External assurance of the Group's viability is demonstrated by the Group's credit ratings (A- (stable) with S&P Global and A3 (stable) with Moody's and A Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities and the principal risks as outlined on pages 3 and 4 of the Directors' Report, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2025.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face. The Board is satisfied that the stress testing that is performed on the Group's business plan includes all the major risks that the Group may face and therefore provides strong assurance of the Group's financial viability.

**Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard**

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

**Statement of Disclosure to the Auditors**

At the time of approval of this report:

- a) so far as the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware, and
- b) the Board Members have taken all steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

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**Derwent Housing Association Limited**  
**Report of the Board**  
**For the year ending 31 March 2022**

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**Statement of Board's responsibilities in respect of the Board's report and the financial statements**

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its 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 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

**By order of the Board**



**C Martin**  
**Secretary**

**22 September 2022**

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**Derwent Housing Association Limited**  
**Report of the Independent Auditor**  
**For the year ending 31 March 2022**

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**Independent auditor's report to the members of Derwent Housing Association Limited only**

**Opinion**

We have audited the financial statements of Derwent Housing Association Limited ("the Association") for the year ended 31 March 2022 which comprises the Group and Association Statements of Comprehensive Income, Group and Association Statements of Financial Position, Group and Association Statements of Changes in Reserves, Consolidated Statement of Cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2022 and of the Group and the Association income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease its operations, and as they have concluded that the Group and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, we perform procedures to address the risk of management override of controls in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because we do not consider there to be sufficient opportunity, possible incentives and reasonable rationale to fraudulently manipulate revenue in the financial statements when revenue is mostly recognised based on agreements.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls.

#### **Fraud and breaches of laws and regulations – ability to detect continued**

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Co-operative and Community Benefit Societies Act), taxation legislation, pension legislation and disclosures required by Housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws and certain aspects of housing legislation recognizing the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### **Other information**

The directors are responsible for the other information, which comprises the Report of the Board. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

#### **Matters on which we are required to report by exception**

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.



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**Derwent Housing Association Limited**  
**Report of the Independent Auditor**  
**For the year ending 31 March 2022**

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**Board's responsibilities**

As more fully explained in their statement set out on page 4, the directors are responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 as a body, for our audit work, for this report, or for the opinions we have formed.



**Debra Chamberlain**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

23 September 2022

**Derwent Housing Association Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ending 31 March 2022**

	Notes	2022 £'000	2021 £'000
Group turnover	2	71,522	70,544
Cost of sales	2	(1,127)	(2,321)
Operating costs	2	(48,635)	(43,762)
Profit on sale of fixed assets	4	1,110	1,937
Gain/(loss) on revaluation of investment properties	13	656	(2,109)
<b>Operating profit before interest</b>		<b>23,526</b>	24,289
Share of operating profit on joint ventures		112	201
Interest receivable and similar income	7	859	739
Interest payable and similar charges	8	(17,059)	(17,151)
<b>Profit on ordinary activities before taxation</b>	9	<b>7,438</b>	8,078
Taxation	10	(3,406)	(535)
<b>Profit on ordinary activities after taxation</b>		<b>4,032</b>	7,543
Actuarial gain/(loss) recognised in the pension scheme	21	3,091	(3,397)
Deferred tax arising on pension scheme	10	(756)	-
<b>Total comprehensive income for the year</b>		<b>6,367</b>	4,146

The notes on pages 15 to 37 form an integral part of these financial statements.

**Derwent Housing Association Limited**  
**Company Statement of Comprehensive Income**  
**For the year ending 31 March 2022**

	Notes	<b>2022</b> <b>£'000</b>	2021 £'000
Turnover	2	<b>57,981</b>	59,398
Cost of sales	2	<b>(1,127)</b>	(2,321)
Operating costs	2	<b>(35,556)</b>	(32,942)
Surplus on sale of fixed assets	4	<b>1,110</b>	1,945
Gain/(loss) on revaluation of investment properties	13	<b>656</b>	(2,109)
Operating profit		<b>23,064</b>	23,971
Interest receivable and similar income	7	<b>300</b>	344
Interest payable and similar charges	8	<b>(17,076)</b>	(17,151)
<b>Surplus on ordinary activities before taxation</b>	9	<b>6,288</b>	7,164
Tax on surplus on ordinary activities	10	<b>(3,210)</b>	(350)
<b>Surplus for the year</b>		<b>3,078</b>	6,814
Actuarial gain/(loss) recognised in the pension scheme	21	<b>3,091</b>	(3,397)
Deferred tax arising on pension scheme	10	<b>(756)</b>	-
<b>Total comprehensive income for the year</b>		<b>5,413</b>	3,417

The notes on pages 15 to 37 form an integral part of these financial statements.

There is no other comprehensive income other than that reported above.

**Derwent Housing Association Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2022**

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Housing properties	11	535,502		534,576	
Other fixed assets	12	2,712		2,918	
Fixed asset investments	13	81,053		79,503	
			<b>619,267</b>		616,997
<b>Current assets</b>					
Stock	14	158		650	
Debtors: amounts falling due within one year	15	8,900		7,806	
Investments	16	384		-	
Cash and cash equivalents		5,586		6,971	
		<b>15,028</b>		15,427	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(37,291)		(193,491)	
Provision for liabilities and charges	20	(3,443)		-	
			<b>(25,706)</b>		(178,064)
<b>Non-current liabilities</b>					
Creditors: amounts falling due after more than one year	18	(488,617)		(336,642)	
Pension liability	21	(2,187)		(5,901)	
			<b>(490,804)</b>		(342,543)
<b>Net assets</b>					
			<b>102,757</b>		96,390
<b>Capital and reserves</b>					
Share capital (non-equity)			-		-
Revenue reserves			102,757		96,390
			<b>102,757</b>		96,390

The notes on pages 15 to 37 form an integral part of these financial statements.

The financial statements on pages 9 to 37 were approved by the Board on 22 September 2022, and signed on its behalf by:



**R Gregory**  
**Group Chair**



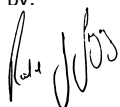
**G Reed**  
**Group Chief Executive**

**Derwent Housing Association Limited**  
**Company statement of Financial Position**  
**As at 31 March 2022**

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Housing properties	11	524,460		523,490	
Other fixed assets	12	2,667		2,856	
Fixed asset investments	13	<u>76,482</u>		<u>75,206</u>	
			<b>603,609</b>		601,552
<b>Current assets</b>					
Stock	14	-		487	
Debtors: amounts falling due within one year	15	9,394		16,079	
Short term investments	16	384		-	
Cash and cash equivalents		<u>1,489</u>		<u>2,218</u>	
		<b>11,266</b>		<b>18,784</b>	
Creditors: amounts falling due within one year	17	<b>(30,398)</b>		(193,129)	
Provisions for liabilities and charges	20	<u>(3,533)</u>		<u>-</u>	
<b>Net current assets</b>			<b>(22,665)</b>		(174,345)
<b>Non-current liabilities</b>					
Creditors: amounts falling due after more than one year	18	<b>(485,578)</b>		(333,540)	-
Pension liability	21	<u>(2,187)</u>		<u>(5,901)</u>	
			<b>(487,765)</b>		(339,441)
<b>Net assets</b>			<b>93,179</b>		<b>87,766</b>
<b>Capital and reserves</b>					
Share capital (non-equity)			-		-
Revenue reserve			<b>93,179</b>		<b>87,766</b>
<b>Total capital and reserves</b>			<b>93,179</b>		<b>87,766</b>

The notes on pages 15 to 37 form an integral part of these financial statements.

The financial statements on pages 9 to 37 were approved by the Board on 22 September 2022, and signed on its behalf by:



**R Gregory**  
**Group Chair**



**G Reed**  
**Group Chief Executive**

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**Derwent Housing Association Limited**  
**Consolidated Statement of Changes in Reserves**  
**For the year ending 31 March 2022**

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	<b>Share capital</b>	<b>Revenue Reserve</b>	<b>Total Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April 2021	-	96,390	96,390
<b>Total comprehensive income for the year</b>			
Profit for the year	-	<b>4,032</b>	<b>4,032</b>
Actuarial gain recognised in the pension scheme	-	<b>3,091</b>	<b>3,091</b>
Deferred tax arising on pension scheme	-	<b>(756)</b>	<b>(756)</b>
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>102,757</b>	<b>102,757</b>

**Derwent Housing Association Limited**  
**Statement of Cash Flows**  
**For the year ending 31 March 2022**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Net cash flow from operating activities (see note a)</b>	<b>25,101</b>	36,328
<b>Cash flow from investing activities</b>		
Purchase of housing and investment properties	<b>(8,301)</b>	(10,786)
Proceeds from the disposal of housing and investment properties	<b>2,625</b>	6,017
Purchase of other fixed assets	<b>(10)</b>	(196)
Purchase of fixed and current asset investments	<b>(657)</b>	(537)
Proceeds from the disposal of fixed and current asset investments	<b>112</b>	76
Receipt of government and other grants	<b>27</b>	137
Investment income received	<b>856</b>	936
<b>Net cash flow from investing activities</b>	<b>(5,348)</b>	(4,353)
<b>Cash flow from financing activities</b>		
Tax paid	<b>(678)</b>	(590)
Interest paid	<b>(17,129)</b>	(17,427)
Drawdown of loans in the year	<b>13,219</b>	-
Repayment of loans and debentures in the year	<b>(16,550)</b>	(12,791)
<b>Net cash flow from financing activities</b>	<b>(21,138)</b>	(30,808)
<b>Net change in cash and cash equivalents</b>	<b>(1,385)</b>	1,167
<b>Cash and cash equivalents at beginning of year</b>	<b>6,971</b>	5,804
<b>Cash and cash equivalents at end of the year</b>	<b>5,586</b>	6,971
<b>a) Net cash flow from operating activities</b>		
Surplus for the year	<b>4,032</b>	7,543
<i>Adjustments for non-cash items to reconcile surplus for the year to net cash generated from operating activities</i>		
Depreciation and impairment of tangible fixed assets	<b>5,635</b>	5,454
Amortisation of grants	<b>(1,316)</b>	(1,421)
Appreciation of fixed asset investments	<b>(968)</b>	(936)
(Gain)/loss on revaluation of investment properties	<b>(656)</b>	2,109
Decrease/(increase) in stock	<b>514</b>	2,427
(Increase)/decrease in trade and other debtors	<b>1,058</b>	1,842
Increase/(decrease) in trade and other creditors	<b>(1,815)</b>	4,234
Pension adjustment	<b>(735)</b>	(669)
Surplus on tangible fixed asset disposals	<b>(1,110)</b>	(1,937)
Interest payable	<b>17,059</b>	17,151
Interest receivable	<b>(3)</b>	(4)
Taxation	<b>3,406</b>	535
<b>Cash flow from operating activities</b>	<b>25,101</b>	36,328

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**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

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**1. PRINCIPAL ACCOUNTING POLICIES**

A summary of the principal accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction 2019 for Private Registered Providers of Social Housing 2015, and with the Companies Act 2006. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12 (preparation of a statement of cash flows and related notes).

The financial statements are presented in Sterling (£'000s).

**Going Concern**

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. As part of this assessment the Board monitors the external economic and financial environment including any continuing impact of the Covid-19 pandemic, the war in Ukraine, the cost of living crisis and increased energy costs. The Board is focussed on mitigating the risks for the Group and has assessed the going concern considering the above factors along with the risks included in the Group risk register.

At 31 March 2022 the Group had cash and undrawn facilities of £1.1bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios. These scenarios include limited housing sales, reduction in rents collected, leisure centre closures, loss of management contracts, increase in interest rates, long term increase in inflation and the cost of meeting government sustainability targets.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2023 would be £600m and £360m at 31 March 2024 if the Group did not raise any additional finance to that which is currently available.

Derwent Housing Association Limited is part of the Guarantor Group and accesses funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the association.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

**Basis of consolidation**

The financial statements are group statements and have been prepared by consolidating the results of the entities within the Derwent Housing Association Group using the acquisition method for subsidiary entities and the equity method for joint venture entities as appropriate.

The consolidated accounts comprise the financial statements of Derwent Housing Association Limited and its subsidiary undertakings, control of which are achieved where Derwent Housing Association Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A listing of subsidiaries and related undertakings is provided in note 29.

Independence and Responsibility Agreements exist between the Group parent and the subsidiaries, which are the basis of the Group structure, and enable the Board of Directors to control the Group. All subsidiaries have coterminous year ends. Derwent Community Housing Association Limited has a charitable status.

Public benefit entity combinations that are in substance a gift to the Group are accounted for by calculating the excess of the fair value of the assets assumed over the fair value of liabilities acquired. This gain is recognised in the Statement of Comprehensive Income.

**Significant Judgements**

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Going Concern*

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. As a result of these considerations the financial statements have been prepared on a going concern basis.



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**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

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**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Significant Judgements continued**

*Investment properties*

The Group owns a range of different property types. This requires the Group to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Group considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Group has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Group has applied this by judging that rental properties without public subsidy attached to them are investment properties.

*Lease classification*

During the year ending 31 March 2019, the Group purchased the freeholds of a number of properties and assessed that the arrangement should be classified as a finance lease.

The Group considered the requirements of FRS 102 Section 20 which requires that, if a lease substantially transfers all the risks and rewards of ownership, it should be treated as a finance lease. It was determined that because the Group will retain ownership of the properties at the end of the 45 year lease period, alongside holding the risks and rewards of owning and managing the properties during this period, the Group substantially holds the risks and rewards of ownership.

**Accounting estimates**

The nature of estimation means that actual outcomes may differ from the estimates made.

*Residual value of social housing properties*

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £535m. The residual value of social housing property structure is £19m above the carrying value as at 31 March 2022.

*Defined benefit pension schemes*

The Group has defined benefit obligations relating to six pension schemes. Note 25 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Group engage qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to increase scheme deficits by £0.6m.

The Association is party to legal action arising from the scheme rules on the Social Housing pension scheme. More detail can be found in note 24.

*Investment properties*

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. A full valuation of the Association's investment properties was carried out in line with the principles of RICS guidance and the Red Book. The results of the valuation exercise have been subjected to management scrutiny and challenge.

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**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

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**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Turnover**

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and grants from local authorities and Homes England, leisure facilities management fees, equity loan fee income and other income. The turnover of the parent entity consists of recharges to other Group entities.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Long term contract revenue is recognised based on the total contract value and the stage of completion of the contract. Mortgage fee income is recognised over the term of the contract. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

**Corporation tax**

The Group is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

**VAT**

The majority of the Group's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

**Pensions**

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

Pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. The in-year movement in the scheme deficit/surplus is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

**Housing Properties**

Housing properties are those held primarily for the provision of social benefit. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Group capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

**Investment properties**

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

**Land**

Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Group is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Other fixed assets**

Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

**Depreciation**

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

<b>Assets</b>	<b>Depreciation period (years)</b>
<u>Rented housing &amp; commercial properties:</u>	
Kitchens	20
Bathrooms	20
Boilers	15
External windows & doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	20
Social Alarms	From 20-40
Surveys	15
Initial and replacement scheme assets	From 1 to 5
Other elements (new build)	100-125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
<u>Shared Ownership housing:</u>	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years
<u>Other fixed assets:</u>	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

**Fixed asset investments**

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

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**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

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**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Stock**

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes land and property held with the intention to sell, including assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

All land and property held within stock is subject to regular appraisal to confirm the assets are recoverable at least at the carrying value.

Included within stock are amounts in respect of the expected percentage of sales under first tranche disposal for shared ownership properties. Proceeds from first tranche disposals are recognised in turnover. The unsold equity of shared ownership properties is recognised within housing properties.

**Impairment**

An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Group defines cash generating units as housing developments except where its developments are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

**Social Housing Grant and Other Capital Grant**

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where SHG or other grants are retained following the disposal of property, it is shown under the Disposal Proceeds and Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised.

**Foreign Currency**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions or if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the statement of financial position date and gains or losses on translation are included in the statement of comprehensive income.

**Leases**

The Group classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Group. Other leases are classified as operating leases.

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under finance leases are included in creditors net of the finance charge allocated to future periods. The finance element of the rental is charged to the statement of comprehensive income using the effective interest rate method.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. Income in respect of operating leases where the Group is the lessor is recognised in the statement of comprehensive income on a straight line basis over the lease term, reduced by the cost of any lease incentives.

**Provisions**

A provision is recognised where a present obligation has arisen as a result of a past event for which settlement is probable and can be reliably estimated. The amount recognised 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, and the subsequent unwinding of the discount is recognised as a finance cost.

**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

**2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING PROFIT**

GROUP	2022					2021				
	Turnover	Cost of sales	Operating costs	Other operating items	Operating profit	Turnover	Cost of sales	Operating costs	Other operating items	Operating profit/(loss)
	£'000	£'000	£'000	£'000	£'000	£m	£m	£m	£m	£m
<b>Social housing lettings (note 3)</b>	<b>44,101</b>	-	<b>(24,245)</b>	-	<b>19,856</b>	43,198	-	(20,365)	-	22,833
<b>Other social housing activities</b>										
Social housing property sales	-	-	-	-	-	-	-	-	-	-
Shared Ownership property sales	<b>1,715</b>	<b>(1,127)</b>	<b>(163)</b>	-	<b>425</b>	3,447	(2,321)	(1,305)	-	(179)
Charges for support services	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,087	-	(165)	-	922
	<b>45,816</b>	<b>(1,127)</b>	<b>(24,408)</b>	-	<b>20,281</b>	47,732	(2,321)	(21,835)	-	23,576
<b>Non social housing activities</b>										
Non social housing lettings	<b>5,823</b>	-	<b>(4,735)</b>	-	<b>1,088</b>	6,001	-	(5,012)	-	989
Facilities management	<b>19,748</b>	-	<b>(19,487)</b>	-	<b>261</b>	16,784	-	(16,585)	-	199
Other	<b>135</b>	-	<b>(5)</b>	-	<b>130</b>	27	-	(330)	-	(303)
	<b>71,522</b>	<b>(1,127)</b>	<b>(48,635)</b>	-	<b>21,761</b>	70,544	(2,321)	(43,762)	-	24,461
<b>Surplus on sale of fixed assets (note 4)</b>	-	-	-	<b>1,110</b>	<b>1,110</b>	-	-	-	1,937	1,937
<b>Gain on revaluation of investment properties (note 13)</b>	-	-	-	<b>656</b>	<b>656</b>	-	-	-	(2,109)	(2,109)
<b>Total</b>	<b>71,522</b>	<b>(1,127)</b>	<b>(48,635)</b>	<b>1,766</b>	<b>23,527</b>	70,544	(2,321)	(43,762)	(172)	24,289
	<b>2022</b>	2021								
	<b>£'000</b>	£'000								
<b>Social housing turnover</b>	<b>45,816</b>	47,732								
<b>Non social housing activities</b>										
Non social housing lettings	<b>5,823</b>	6,001								
Facilities management	<b>19,748</b>	16,784								
Other	<b>135</b>	27								
<b>Total</b>	<b>71,522</b>	70,544								

**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

**2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING PROFIT *continued***

ASSOCIATION	2022					2021				
	Turnover	Cost of sales	Operating costs	Other operating items	Operating profit	Turnover	Cost of sales	Operating costs	Other operating items	Operating profit/(loss)
	£'000	£'000	£'000	£'000	£'000	£m	£m	£m	£m	£m
<b>Social housing lettings (note 3)</b>	<b>43,646</b>	-	<b>(23,988)</b>	-	<b>19,658</b>	42,748	-	(20,093)	-	22,655
<b>Other social housing activities</b>										
Social housing property sales	-	-	-	-	-	-	-	-	-	-
Shared Ownership property sales	<b>1,715</b>	<b>(1,127)</b>	<b>(163)</b>	-	<b>425</b>	3,447	(2,321)	(1,305)	-	(179)
Charges for support services	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,230	-	(286)	-	944
	<b>45,361</b>	<b>(1,127)</b>	<b>(24,151)</b>	-	<b>20,083</b>	47,425	(2,321)	(21,684)	-	23,420
<b>Non social housing activities</b>										
Non social housing lettings	<b>5,934</b>	-	<b>(4,747)</b>	-	<b>1,187</b>	6,001	-	(5,011)	-	990
Facilities management	<b>6,658</b>	-	<b>(6,658)</b>	-	-	5,955	-	(5,955)	-	-
Other	<b>28</b>	-	-	-	<b>28</b>	17	-	(292)	-	(275)
	<b>57,981</b>	<b>(1,127)</b>	<b>(35,556)</b>	-	<b>21,298</b>	59,398	(2,321)	(32,942)	-	24,135
<b>Surplus on sale of fixed assets (note 4)</b>	-	-	-	<b>1,110</b>	<b>1,110</b>				1,945	1,945
<b>Gain on revaluation of investment properties (note 13)</b>	-	-	-	<b>656</b>	<b>656</b>				(2,109)	(2,109)
<b>Total</b>	<b>57,981</b>	<b>(1,127)</b>	<b>(35,556)</b>	<b>1,766</b>	<b>23,064</b>	59,398	(2,321)	(32,942)	(164)	23,971
	<b>2022</b>	2021								
	<b>£'000</b>	£'000								
<b>Social housing turnover</b>	<b>45,361</b>	47,425								
<b>Non social housing activities</b>										
Non social housing lettings	<b>5,934</b>	6,001								
	<b>6,658</b>	5,955								
Other	<b>28</b>	17								
<b>Total</b>	<b>57,981</b>	59,398								

**Derwent Housing Association Limited**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2022**

**3. GROUP INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

<b>GROUP</b>				<b>2022</b>	2021
	<b>General needs housing £'000</b>	<b>Supported housing &amp; housing for older people £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>	Total £'000
<b>Income</b>					
Rent receivable net of identifiable service charges	30,573	3,131	5,431	39,135	38,432
Service charge income	1,668	688	1,230	3,586	3,314
Amortised government grants	1,009	85	222	1,316	1,452
Other income	35	3	26	64	-
<b>Turnover from social housing lettings</b>	<b>33,285</b>	<b>3,907</b>	<b>6,909</b>	<b>44,101</b>	43,198
<b>Expenditure on social housing lettings activities</b>					
Management	(6,953)	(583)	(1,688)	(9,224)	(4,066)
Service charge costs	(1,993)	(71)	(772)	(2,836)	(3,775)
Routine maintenance	(4,215)	(442)	(443)	(5,100)	(4,535)
Planned maintenance	(977)	(73)	(301)	(1,351)	(1,892)
Major repairs expenditure	(273)	(26)	(62)	(361)	(786)
Bad debts	46	-	-	46	(75)
Depreciation on housing assets	(4,142)	(352)	(922)	(5,416)	(5,236)
Intercompany Property Recharges	(2)	-	(1)	(3)	-
<b>Operating costs on social housing lettings</b>	<b>(18,509)</b>	<b>(1,547)</b>	<b>(4,189)</b>	<b>(24,245)</b>	(20,365)
<b>Operating profit on social housing lettings</b>	<b>14,776</b>	<b>2,360</b>	<b>2,720</b>	<b>19,856</b>	22,833
<b>Void losses</b>	<b>(271)</b>	<b>-</b>	<b>(50)</b>	<b>(321)</b>	(394)
<b>ASSOCIATION</b>				<b>2022</b>	2021
	<b>General needs housing £'000</b>	<b>Supported housing &amp; housing for older people £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>	Total £'000
<b>Income</b>					
Rent receivable net of identifiable service charges	30,178	3,131	5,414	38,723	38,024
Service charge income	1,658	688	1,227	3,573	3,303
Amortised government grants	979	85	222	1,286	1,421
Other income	35	3	26	64	-
<b>Turnover from social housing lettings</b>	<b>32,850</b>	<b>3,907</b>	<b>6,889</b>	<b>43,646</b>	42,748
<b>Expenditure on social housing lettings activities</b>					
Management	(6,846)	(583)	(1,682)	(9,111)	(4,066)
Service charge costs	(1,983)	(71)	(772)	(2,826)	(3,601)
Routine maintenance	(4,161)	(442)	(443)	(5,046)	(4,507)
Planned maintenance	(974)	(73)	(301)	(1,348)	(1,892)
Major repairs expenditure	(273)	(26)	(62)	(361)	(786)
Bad debts	51	-	-	51	(74)
Depreciation on housing assets	(4,075)	(352)	(917)	(5,344)	(5,167)
Intercompany Property Recharges	(2)	-	(1)	(3)	-
<b>Operating costs on social housing lettings</b>	<b>(18,263)</b>	<b>(1,547)</b>	<b>(4,178)</b>	<b>(23,988)</b>	(20,093)
<b>Operating profit on social housing lettings</b>	<b>14,587</b>	<b>2,360</b>	<b>2,711</b>	<b>19,658</b>	22,655
<b>Void losses</b>	<b>(268)</b>	<b>-</b>	<b>(50)</b>	<b>(318)</b>	(393)

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**4. GROUP PROFIT ON SALE OF FIXED ASSETS**

	2022			
	Sale proceeds	Cost of sales	Other sales expenses	Surplus
	£'000	£'000	£'000	£'000
Sale of housing assets	2,634	(1,486)	(38)	1,110
	<b>2,634</b>	<b>(1,486)</b>	<b>(38)</b>	<b>1,110</b>
	2021			
	Sale proceeds	Cost of sales	Other sales expenses	Surplus
	£'000	£'000	£'000	£'000
Sale of housing assets	6,173	(3,972)	(264)	1,937
	<b>6,173</b>	<b>(3,972)</b>	<b>(264)</b>	<b>1,937</b>

**5. DIRECTORS' EMOLUMENTS**

The ultimate Group parent, Places for People Group Limited, has determined that subsidiary governance is achieved through functional management arrangements.

The Group has created posts for functional managers, whose responsibilities may cover more than one Group member. Executive Directors emoluments during the year were met by Places for People Group Limited.

Aggregate emoluments, excluding pension contributions, paid to Non-Executive Directors in the year was £24,000 (2021: £4,000). This excludes any emoluments that were met by Places for People Group Limited.

**6. EMPLOYEE INFORMATION**

The average number of employees expressed as full time equivalents (including the executive directors) employed during the year was:

	GROUP		COMPANY	
	2022	2021	2022	2021
	No.	No.	No.	No.
Managing housing services	245	221	42	50
Central administration services	71	88	45	64
	<b>316</b>	<b>309</b>	<b>87</b>	<b>114</b>

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the Group. The monthly numbers are then added together and divided by the number of months in the financial year.

	GROUP		COMPANY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<i>Staff costs (for the above persons):</i>				
Wages and salaries	9,143	8,985	2,633	3,458
Social security costs	842	769	233	308
Pension payments	307	204	136	60
	<b>10,292</b>	<b>9,958</b>	<b>3,002</b>	<b>3,826</b>

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be members of the Group management team responsible for the management of the Group's Registered Providers. Analysis of the executive directors is disclosed in note 5.

	GROUP		COMPANY	
	2022	2021	2022	2021
	No.	No.	No.	No.
£60,000 - £69,999	5	5	-	2
£70,000 - £79,999	1	2	-	1
£90,000 - £99,999	-	1	-	-
£110,000 - £119,999	1	1	-	-



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**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	GROUP		COMPANY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
On financial assets not at fair value through the statement of comprehensive income:				
Interest on fixed asset investments	856	735	-	-
Interest receivable on loans to related undertakings	-	-	300	344
Other interest receivable from deposits	3	4	-	-
	<b>859</b>	<b>739</b>	<b>300</b>	<b>344</b>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	GROUP		COMPANY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
On financial liabilities not at fair value through the statement of comprehensive income:				
Bank loans and overdrafts	8,689	8,546	8,707	8,547
Finance charges on hire purchase or lease agreements	3,652	3,652	3,651	3,651
On loans from related undertakings	4,739	4,746	4,739	4,746
In respect of Recycled Capital Grant Fund	4	459	4	459
	<b>17,084</b>	<b>17,403</b>	<b>17,101</b>	<b>17,403</b>
On defined benefit pension schemes:				
Expected return on pension assets	(458)	(492)	(458)	(492)
Interest on scheme liabilities	574	561	574	561
	<b>116</b>	<b>69</b>	<b>116</b>	<b>69</b>
Share of joint ventures interest payable and similar charges				
Less: capitalised interest	(141)	(321)	(141)	(321)
	<b>17,059</b>	<b>17,151</b>	<b>17,076</b>	<b>17,151</b>

**9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	GROUP		COMPANY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Profit on ordinary activities before taxation is stated after charging:				
<i>Depreciation and impairment:</i>				
Tangible fixed assets	5,635	5,454	5,536	5,364
<i>Payments under operating leases:</i>				
Housing properties	1,989	1,925	1,989	1,925
Motor vehicles	10	11	10	11
<i>Auditor's remuneration:</i>				
In their capacity as auditor	63	69	40	52

Auditor's remuneration in respect of non-audit services was £48,200 (2021: £40,000).

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**10. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	GROUP		ASSOCIATION	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>(a) Analysis of charge in period</b>				
<b>Tax on profit on ordinary activities</b>				
United Kingdom corporation tax	546	1,095	339	931
Adjustments to tax charge in respect of prior periods	410	(502)	395	(505)
	<b>956</b>	593	<b>734</b>	426
<b>Deferred tax (note 10e)</b>				
Origination and reversal of timing differences	2,375	(61)	2,372	(78)
Adjustments to deferred tax in respect of prior periods	-	2	7	2
Effect of tax rate change on opening balance	75	-	97	-
	<b>2,450</b>	(59)	<b>2,476</b>	(76)
<b>Total tax charge</b>	<b>3,406</b>	535	<b>3,210</b>	350
<b>(b) Tax expense included in other comprehensive income</b>				
<b>Deferred Tax</b>				
Origination and reversal of timing differences	756	-	756	-
<b>(c) Factors affecting tax charge for period</b>				
The tax assessed is different than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:				
Taxable Group profit	7,438	8,078	6,288	7,164
<i>Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)</i>	1,413	1,535	1,195	1,361
Fixed asset differences	378	216	366	216
Expenses not deductible/(income not taxable)	(462)	139	(440)	131
Chargeable gains	185	404	185	404
Amounts charged directly to STRGL or otherwise transferred	-	(791)	-	(791)
Rate difference	826	-	848	-
Adjustments to tax charge in respect of prior periods	411	(501)	401	(503)
Other movements	655	(467)	655	(468)
<b>Tax on profit on ordinary activities (note 10a)</b>	<b>3,406</b>	535	<b>3,210</b>	350
<b>(d) Factors that may affect future tax charges</b>				
The main rate of corporation tax is currently 19%, however this is due to increase to 25% from 1 April 2023. As this change in corporation tax rate had not been substantively enacted at the balance sheet date, deferred tax has been calculated using the current corporation tax rate of 19%. This change will reduce the company's future current and deferred tax charge accordingly.				
<b>(e) Provision for deferred tax</b>				
Accelerated capital allowances	4,764	2,980	4,845	3,038
Other short-term timing differences	(3,652)	(4,765)	(3,643)	(4,759)
Other timing differences	2,696	2,022	2,696	2,022
Pension through other comprehensive income	(365)	-	(365)	-
	<b>3,443</b>	237	<b>3,533</b>	301
Provision/(debtor) at 1 April	237	296	301	377
Expense in the year in statement of comprehensive income	2,450	(59)	2,476	(76)
Expense in the year in statement of comprehensive income in other comprehensive income	756	-	756	-
(Debtor)/provision at 31 March at 19% (2021: 19%)	<b>3,443</b>	237	<b>3,533</b>	301

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**11. HOUSING PROPERTIES GROUP**

	Housing properties and land £'000	LSE & shared ownership housing properties £'000	Housing properties in the course of construction £'000	LSE & shared ownership properties in the course of construction £'000	Total housing properties £'000
<b>Cost</b>					
At 1 April 2021	546,210	53,846	1,284	229	<b>601,569</b>
Development additions	-	-	2,807	739	<b>3,546</b>
Major work additions	-	-	4,277	-	<b>4,277</b>
Transfer to completed schemes	8,339	918	(8,339)	(918)	-
Change of tenure	-	27	-	(50)	<b>(23)</b>
Transfer to sales account on disposal	(700)	(1,418)	-	-	<b>(2,118)</b>
<b>At 31 March 2022</b>	<b>553,849</b>	<b>53,373</b>	<b>29</b>	<b>-</b>	<b>607,251</b>
<b>Depreciation</b>					
At 1 April 2021	(64,726)	(2,267)	-	-	<b>(66,993)</b>
<b>Charge for year</b>					
Depreciation	(5,416)	(2)	-	-	<b>(5,418)</b>
<b>Eliminated on disposal</b>					
Depreciation	602	60	-	-	<b>662</b>
<b>At 31 March 2022</b>	<b>(69,540)</b>	<b>(2,209)</b>	<b>-</b>	<b>-</b>	<b>(71,749)</b>
<b>Net book value at 31 March 2022</b>	<b>484,309</b>	<b>51,164</b>	<b>29</b>	<b>-</b>	<b>535,502</b>
Net book value at 1 April 2021	481,484	51,579	1,284	229	534,576

LSE denotes Leasehold Schemes for the Elderly.

	2022 £'000	2021 £'000
Housing properties comprise, at cost:		
Freehold	<b>575,873</b>	570,077
Long leasehold	<b>31,146</b>	31,263
Short leasehold	<b>232</b>	229
	<b>607,251</b>	601,569

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £0.2m (2021: £0.5m).

Expenditure on major works to existing properties during the year was £4.3m (2021: £3.4m).

Additions to housing properties in the course of construction during the year include capitalised interest of £0.1m (2021: £0.3m).

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**11. HOUSING PROPERTIES CONTINUED**  
**ASSOCIATION**

	Housing properties and land £'000	LSE & shared ownership housing £'000	Housing properties in the course of £'000	LSE & shared ownership properties in £'000	Total housing properties £'000
<b>Cost</b>					
At 1 April 2021	535,148	53,548	1,288	229	<b>590,213</b>
Development additions	-	-	2,780	739	<b>3,519</b>
Major work additions	-	-	4,277	-	<b>4,277</b>
Transfer to completed schemes	8,313	918	(8,313)	(918)	-
Change of tenure	-	27	-	(50)	<b>(23)</b>
Transfer to sales account on disposal	(700)	(1,418)	-	-	<b>(2,118)</b>
<b>At 31 March 2022</b>	<b>542,761</b>	<b>53,076</b>	<b>32</b>	<b>-</b>	<b>595,868</b>
<b>Depreciation</b>					
At 1 April 2021	(64,458)	(2,265)	-	-	<b>(66,723)</b>
<b>Charge for year</b>					
Depreciation	(5,345)	(2)	-	-	<b>(5,347)</b>
<b>Eliminated on disposal</b>					
Depreciation	602	60	-	-	<b>662</b>
<b>At 31 March 2022</b>	<b>(69,201)</b>	<b>(2,207)</b>	<b>-</b>	<b>-</b>	<b>(71,408)</b>
<b>Net book value at 31 March 2022</b>	<b>473,560</b>	<b>50,868</b>	<b>32</b>	<b>-</b>	<b>524,460</b>
Net book value at 1 April 2021	470,690	51,283	1,288	229	523,490

LSE denotes Leasehold Schemes for the Elderly.

	2022 £'000	2021 £'000
Housing properties comprise, at cost:		
Freehold	564,575	558,721
Long leasehold	31,061	31,263
Short leasehold	232	229
	<b>595,868</b>	<b>590,213</b>

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £0.2m (2021: £0.5m).

Expenditure on major works to existing properties during the year was £4.3m (2021: £3.4m).

Additions to housing properties in the course of construction during the year include capitalised interest of £0.1m (2021: £0.3m).

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**12. GROUP OTHER FIXED ASSETS**

	<b>Plant &amp; specialist equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Commercial Freehold offices £'000</b>	<b>Fixtures and Fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 April 2021	132	1,776	3,254	316	<b>5,478</b>
Additions	-	10	-	-	<b>10</b>
Change of tenure	-	(85)	-	85	-
Disposals	-	-	-	-	-
<b>At 31 March 2022</b>	<b>132</b>	<b>1,701</b>	<b>3,254</b>	<b>401</b>	<b>5,488</b>
<b>Depreciation</b>					
At 1 April 2021	(132)	(1,471)	(837)	(120)	<b>(2,560)</b>
Charge for year	-	(137)	(31)	(48)	<b>(216)</b>
Change of tenure	-	67	-	(67)	-
Eliminated on disposal	-	-	-	-	-
<b>At 31 March 2022</b>	<b>(132)</b>	<b>(1,541)</b>	<b>(868)</b>	<b>(235)</b>	<b>(2,776)</b>
<b>Net book value at 31 March 2022</b>	<b>-</b>	<b>160</b>	<b>2,386</b>	<b>166</b>	<b>2,712</b>
Net book value at 1 April 2021	-	305	2,417	196	2,918

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**13. FIXED ASSETS INVESTMENTS**

	GROUP		COMPANY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
External investments and investment in related undertakings (a)	9,656	9,382	5,085	5,085
Investment property (b)	71,397	70,121	71,397	70,121
<b>Total fixed asset investments</b>	<b>81,053</b>	<b>79,503</b>	<b>76,482</b>	<b>75,206</b>

**(a) External investments and investment in related undertakings**

	GROUP		COMPANY	
	£'000	£'000	£'000	£'000
External investments	11	11	-	-
Investment in related undertakings	-	-	5,085	5,085
Investment in joint venture undertakings	112	-	-	-
Amounts due from external investments	9,533	9,371	-	-
	<b>9,656</b>	<b>9,382</b>	<b>5,085</b>	<b>5,085</b>

**Derwent Housing Association Limited investments are analysed as follows:**

	GROUP		COMPANY	
	£'000	£'000	£'000	£'000
<u>External investments</u>				
Uliving@Essex Holdco (Phase 2)	5	5	-	-
Uliving@Hertfordshire Holdco	6	6	-	-
Uliving@Gloucestershire Holdco (£5)	-	-	-	-
	<b>11</b>	<b>11</b>	<b>-</b>	<b>-</b>
<u>Investments in related undertakings</u>				
Centro Place Investments Limited	-	-	5,000	5,000
Derwent Partnership Limited (£2)	-	-	-	-
Centro Place Management Limited	-	-	85	85
Derwent Community Housing Association Limited (£2)	-	-	-	-
	<b>-</b>	<b>-</b>	<b>5,085</b>	<b>5,085</b>
<u>Investments in joint venture undertakings</u>				
Eione LLP (£40)	112	-	-	-
	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Amounts due from external investments</u>				
Uliving@Essex Holdco (Phase 2)	594	594	-	-
Uliving@Hertfordshire Holdco	7,906	7,744	-	-
Uliving@Gloucestershire Holdco (£5)	1,033	1,033	-	-
	<b>9,533</b>	<b>9,371</b>	<b>-</b>	<b>-</b>

**(b) Investment Properties**

	£'000
At 1 April 2021	70,121
Additions	620
Revaluation in year	656
<b>At 31 March 2022</b>	<b>71,397</b>

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**14. STOCK**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Properties in construction	-	108	-	108
Completed properties	-	379	-	379
Other	<b>158</b>	163	-	-
	<b>158</b>	650	-	487

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Rental debtors	<b>3,418</b>	3,629	<b>3,418</b>	3,629
Less: Provision for bad and doubtful debts	<b>(995)</b>	(1,188)	<b>(995)</b>	(1,188)
	<b>2,423</b>	2,441	<b>2,423</b>	2,441
Other trade debtors	<b>1,691</b>	1,840	-	-
Corporation tax	<b>127</b>	-	-	-
Deferred tax	-	64	-	-
Amounts due from related undertakings	-	-	<b>5,584</b>	11,569
Amounts due from joint ventures undertakings	<b>126</b>	163	-	-
Sundry debtors, prepayments and accrued income	<b>4,533</b>	3,298	<b>1,386</b>	2,069
	<b>8,900</b>	7,806	<b>9,394</b>	16,079

**16. CURRENT ASSET INVESTMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Cash held as security	<b>384</b>	-	<b>384</b>	-

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Debt</b>				
Housing and bank loans	<b>7,293</b>	5,920	<b>7,293</b>	5,920
Amounts owed to related undertakings	<b>6,469</b>	159,857	<b>3,533</b>	161,967
	<b>13,762</b>	165,777	<b>10,825</b>	167,887
<b>Other financial liabilities</b>				
Rent received in advance	<b>3,986</b>	2,754	<b>3,986</b>	2,754
Corporation tax	-	556	-	442
Deferred tax	-	237	-	301
Other taxes	<b>747</b>	382	<b>70</b>	71
Trade creditors	<b>3,296</b>	4,371	<b>1,457</b>	5,200
Other creditors and accruals	<b>13,972</b>	17,120	<b>12,592</b>	14,212
Amounts in respect of joint venture undertaking	<b>29</b>	32	-	-
Deferred government grant	<b>1,314</b>	1,287	<b>1,282</b>	1,287
Recycled Capital Grant Fund (note 19)	<b>186</b>	975	<b>186</b>	975
	<b>37,291</b>	193,491	<b>30,398</b>	193,129

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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Debt</b>				
Housing and bank loans	<b>146,403</b>	164,327	<b>146,403</b>	164,327
Amounts due to related undertakings	<b>170,426</b>	-	<b>170,426</b>	-
Obligations under finance leases	<b>68,383</b>	68,383	<b>68,383</b>	68,383
	<b>385,212</b>	232,710	<b>385,212</b>	232,710
<b>Other financial liabilities</b>				
Recycled Capital Grant Fund (note 19)	<b>3,022</b>	2,047	<b>2,999</b>	2,024
Deferred government grant	<b>100,383</b>	101,885	<b>97,367</b>	98,806
	<b>488,617</b>	336,642	<b>485,578</b>	333,540

**Analysis of debt and other financial liabilities**

These are repayable as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
In one year or less	<b>7,293</b>	5,920	<b>7,293</b>	5,920
In one year or more but less than two years	<b>7,852</b>	6,279	<b>7,852</b>	6,279
In two years or more but less than five years	<b>26,219</b>	22,726	<b>26,219</b>	22,726
In five years or more	<b>112,332</b>	135,322	<b>112,332</b>	135,322
	<b>153,696</b>	170,247	<b>153,696</b>	170,247

All housing loans are secured by specific charges on the Group's housing properties. These are repayable at varying rates of interest between 0.96% - 6.99% except for £4.3m with Orchardbrook which has an interest rate of 11.95%.

Of the total £154.0m (2021: £170.0m) housing loans, £27.0m (2021: £37.0m) is due wholly after 5 years. The remainder have amounts due in less than 5 years or after 5 years on an installment basis.



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**19. RECYCLED CAPITAL GRANT**

**RECYCLED CAPITAL GRANT FUND**

		Homes England			
		GROUP		ASSOCIATION	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
<b>GROUP</b>					
At 1 April		<b>3,022</b>	1,718	<b>2,999</b>	1,718
Inputs to RCGF:					
	Grant Recycled	<b>182</b>	1,302	<b>182</b>	1,279
	Interest Accrued	<b>4</b>	2	<b>4</b>	2
<b>At 31 March</b>		<b>3,208</b>	3,022	<b>3,185</b>	2,999
Amounts 3 years old or older where repayment may be required		<b>1,161</b>	975	<b>1,161</b>	975

**20. PROVISION FOR LIABILITIES AND CHARGES**

GROUP	At 1 April 2021	Additional provision	Utilised	At 31 March 2022
	£'000	£'000	£'000	£'000
Deferred tax liabilities (note 10)	-	<b>3,443</b>	-	<b>3,443</b>
	-	<b>3,443</b>	-	<b>3,443</b>
ASSOCIATION	At 1 April 2021	Additional provision	Utilised	At 31 March 2022
	£'000	£'000	£'000	£'000
Deferred tax liabilities (note 10)	-	<b>3,533</b>	-	<b>3,533</b>
	-	<b>3,533</b>	-	<b>3,533</b>

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**21. PENSION OBLIGATIONS**

The pension costs for Places for People Homes relate to two schemes of which employees are members; the Places for People Group Stakeholder Scheme and the Social Housing Pension Scheme. Details of each scheme are set out below.

**Social Housing Pension Scheme (SHPS)**

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

SHPS is a defined benefit scheme in the UK and is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,562m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group has previously accounted for SHPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme

The mortality assumption used at 31 March 2022 is that a male currently aged 65 years old has a life expectancy of 21.1 years (2021: 21.6 years), a female currently aged 65 years old has a life expectancy of 23.7 years (2021: 23.5 years), a male currently aged 45 years old has a life expectancy of 42.4 years (2021: 42.9 years) and a female currently aged 45 years old has a life expectancy of 45.2 years (2021: 45.1 years).

**The major assumptions used by the actuary were:**

	<b>2022</b>	2021
Discount rate	<b>2.80%</b>	2.10%
Price inflation (RPI)	<b>3.60%</b>	3.30%
Price inflation (CPI)	<b>2.85%</b>	2.60%
Salary growth	<b>4.15%</b>	3.87%

**The major categories of assets as a percentage of total assets are as follows:**

	<b>2022</b>	2021
Diversified growth funds	<b>13.3%</b>	14.5%
Equities	<b>19.5%</b>	19.9%
Liability driven investments	<b>38.2%</b>	36.4%
Absolute return bonds	<b>4.9%</b>	8.5%
Corporate bonds	<b>6.7%</b>	5.9%
Other fixed interest	<b>7.2%</b>	6.0%
Insurance linked securities	<b>2.3%</b>	2.4%
Direct lending	<b>2.6%</b>	2.4%
Property	<b>5.3%</b>	4.0%
	<b>100.0%</b>	100.0%

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**21. PENSION OBLIGATIONS (Continued)**

**Amounts recognised in the Statement of Financial Position**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Value at 31 March 2022</b>		
Fair value of plan assets	<b>23,294</b>	21,833
Present value of defined benefit obligation	<b>(25,481)</b>	(27,734)
Net liability recognised in the statement of financial position	<b>(2,187)</b>	(5,901)

**Analysis of amounts recognised in the Statement of Comprehensive Income**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Year ending 31 March 2022</b>		
Expected return on plan assets	<b>458</b>	<b>492</b>
Interest on scheme liabilities	<b>(574)</b>	<b>(561)</b>
Amounts charged to other finance costs	<b>(116)</b>	<b>(69)</b>

**Amounts recognised in Other Comprehensive Income**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Year ending 31 March 2022</b>		
Actuarial gain/(loss) in pension scheme	<b>3,091</b>	(3,397)

**Movement in fair value of plan assets**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
As at 1 April	<b>21,833</b>	19,883
Interest on plan assets	<b>458</b>	492
Company contributions	<b>758</b>	686
Benefits paid	<b>(820)</b>	(1,089)
Return on plan assets less interest	<b>1,065</b>	1,861
<b>As at 31 March</b>	<b>23,294</b>	21,833

**Movement in present value of defined benefit obligation**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
As at 1 April	<b>27,734</b>	22,986
Current service costs	<b>19</b>	18
Interest costs	<b>574</b>	561
Benefits paid	<b>(820)</b>	(1,089)
Gains/(losses) from changes to demographic assumptions	<b>(399)</b>	100
Gains/(losses) from changes to financial assumptions	<b>(2,894)</b>	5,479
Actuarial (gain)/loss on obligation	<b>1,267</b>	(321)
<b>As at 31 March</b>	<b>25,481</b>	27,734

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**22. CAPITAL COMMITMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	<b>130</b>	141	<b>130</b>	141
Capital expenditure that has been authorised by the board of directors	<b>17,689</b>	24,579	<b>17,689</b>	24,579

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires, are set out below.

	<b>GROUP</b>			
	<b>Land and buildings</b>	<b>Motor vehicles &amp; equipment</b>	Land and buildings	Motor vehicles & equipment
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
In one year or less	<b>1,956</b>	<b>32</b>	1,956	4
In one year or more but less than five years	<b>7,938</b>	<b>18</b>	7,987	100
In more than five years	<b>10,209</b>	-	12,165	-
	<b>20,103</b>	<b>50</b>	22,108	104

	<b>ASSOCIATION</b>			
	<b>Land and buildings</b>	<b>Motor vehicles &amp; equipment</b>	Land and buildings	Motor vehicles & equipment
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
In one year or less	<b>1,956</b>	-	1,956	4
In one year or more but less than five years	<b>7,824</b>	-	7,824	-
In more than five years	<b>10,209</b>	-	12,165	-
	<b>19,989</b>	-	21,945	4

**23. CONTINGENT LIABILITIES**

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity.

The total capital outstanding at 31 March 2022 in respect of such guarantees was £1,077.9m (2021: £887.9m). The total interest accrued at 31 March 2022 relating to this debt was £9.6m (2021: £8.2m).

These represent the maximum exposure for the Association.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

The Group is party to prospective legal action arising from the scheme rules of the Group retirement benefit pension scheme, more detail can be found within note 24.

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**24. RELATED PARTY TRANSACTIONS**

The Group had the following transactions and period end balances with Eione LLP, a 49% joint venture of Derwent Facilities Management Limited.

	Year to 31.03.22	Year to 31.03.21
	£	£
Investment balance in Eione LLP by Derwent Facilities Management Limited	40	40
Amounts invoiced to Eione LLP by Derwent Facilities Management Limited	1,485,495	1,150,614
Amounts due from Eione LLP to Derwent Facilities Management Limited	126,449	162,855
Amounts invoiced from Eione LLP to Derwent Facilities Management Limited	371,526	449,687
Amounts due to Eione LLP from Derwent Facilities Management Limited	<u>29,108</u>	<u>31,905</u>

The Association also has contracts whereby the work is sub-contracted to Derwent Facilities Management Limited at no surplus or deficit to the Association. The "pass through" of this contract income and related operating costs to the third party customers totalled £6.7m (2021: £5.95m). Interest is charged on the inter-company loan to Centro Place Investments Limited at 3% per annum, this equated to £0.08m in the 12 months to 31 March 2022 (2021:£0.12m).

The Association has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies which are 100% owned.

**25. DISCLOSURE OF GROUP UNDERTAKINGS**

Derwent Housing Association Limited is the parent company of the Group and is required by statute to prepare consolidated accounts. All the Group related undertakings are incorporated in England and Wales, or in Scotland, the registered office address for each entity is 1 Centro Place, Pride Park, Derby, DE24 8RF unless otherwise stated and are set out below:

**Subsidiaries**

Name	Class of share held	Proportion of shares held
Centro Place Investments Limited	Ordinary*	100%
Centro Place Management Limited	Ordinary*	100%
Derwent Community Housing Association Limited*	Ordinary*	100%
Derwent Facilities Management Limited	Ordinary*	100%

\*A registered society registered under the Co-operative & Community Benefit Societies Act 2014. Through separate written agreements, the Group ultimately exercises control over the functions and operations of these entities

**Joint Ventures/Partnerships**

Name	Class of shares held	Proportion of nominal value of share class held	Proportion of all share classes
Eione LLP 1	N/A	N/A	N/A
1 Acis House, Bridge Street, Gainsborough, Lincolnshire, DN21 1GG			

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**26. HOUSING STOCK**

The Group owns or manages 10,053 housing properties, a breakdown of these housing properties is shown below:

	2021	Units developed or newly built units acquired	Units sold/demolished	Other movements	2022
	No.	No.	No.	No.	No.
<b>Social housing owned</b>					
- General Needs Housing	6,119	15	(2)	(7)	<b>6,125</b>
- Affordable Rent - General Needs	677	6	-	-	<b>683</b>
- Housing for Older people	645	-	(11)	-	<b>634</b>
- Low cost home ownership accommodation	1,371	6	(17)	-	<b>1,360</b>
<b>Total social housing owned</b>	<b>8,812</b>	<b>27</b>	<b>(30)</b>	<b>(7)</b>	<b>8,802</b>
<b>Social housing managed</b>					
- General Needs Housing (including intermediate rent)	6,115	15	(2)	13	<b>6,141</b>
- Affordable Rent - General Needs	677	6	-	1	<b>684</b>
- Housing for Older people	587	-	-	-	<b>587</b>
- Low cost home ownership accommodation	1,529	6	(20)	-	<b>1,515</b>
<b>Total social housing managed</b>	<b>8,908</b>	<b>27</b>	<b>(22)</b>	<b>14</b>	<b>8,927</b>
				<b>2022</b>	2021
				<b>No.</b>	No.
<b>Non-social housing managed</b>					
- Market rent (incl. keyworker accommodation)				<b>233</b>	233
- Managed services					
- Leased housing - freehold only				<b>116</b>	116
- Student accommodation				<b>777</b>	777
- Facilities management				<b>12,294</b>	11,489
<b>Total non-social housing managed</b>				<b>13,420</b>	12,615
Total social housing managed				<b>8,927</b>	8,908
<b>Total housing managed</b>				<b>22,347</b>	21,523
Total housing owned but managed by another body				<b>123</b>	134
<b>Total housing owned or managed</b>				<b>22,470</b>	21,657
Garages, commercial premises and other non-residential units managed or serviced				<b>51</b>	90
<b>Total residential and non-residential units managed or serviced</b>				<b>22,521</b>	21,747