RP number: L0659

Places for People Homes Limited

Financial Statements

For the year ending 31 March 2022

CONTENTS

Board of Management	**Non Executives**	
	R Gregory	(Chair)
	A Daniel	
	M Dunn	(Appointed 1 January 2022)
	R Finn	
	L Lackey	(Resigned 30 September 2021)
	G Kitchen	
	N Hopkins	
	G Waddell	
	H Fridell	(Appointed 1 November 2021, Resigned 30 June 2022)
	R Cartwright	(Appointed 1 November 2021)
	Executives	
	S Black	
	D Cowans	(Resigned 1 December 2021)
	D Marriott-Lavery	
	G Reed	(Appointed 1 December 2021)
	T Weightman	
	A Winstanley	

Secretary
C Martin

Registered Office
305 Gray's Inn Road
London
WC1X 8QR

Banker
Barclays Bank Plc
38 Fishergate
Preston
PR1 2AD

Registered Auditor
KPMG LLP
15 Canada Square
London
E14 5GL

Registration of the Association
The Association is registered under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19447R) and the Housing and Regeneration Act 2008 (Number L0659). It is also affiliated to the National Housing Federation.

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

Places for People Homes 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. In addition, the Association provides market rented housing and develops low-cost housing for sale and offers open market sales on mixed tenure developments.

Results

The Association's surplus for the year before taxation was £41.2m (2021: £36.8m). £108.9m (2021: £63.6m) was spent on additional housing and £72.2m (2021: £64.1m) was reinvested in stock through maintenance, major repairs and improvements.

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 Grays Inn Road, London, WC1X 8QR.

Review of the year

The turnover for the Association for the year ended 31 March 2022 was £345.1m (2021: £353.4m), the majority of the movement relates to a decrease in non-social housing lettings activity. The operating profit has remained in line year on year at £131.4m (2021: £127.2m).

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 Places for People Homes 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.

Corporate Governance (continued)

The Group 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 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.

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.

Places for People Homes 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 consolidated 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 to mitigate significant risks the Group's operations.

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 (stable) with Fitch).

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.

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 **28 July 2022**

KPMG

Independent auditor's report

to the members of Places for People Homes Limited

1. Our opinion is unmodified

We have audited the financial statements of Places for People Homes Limited ("the Association") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 31 March 2001. The period of total uninterrupted engagement is for the 22 financial years ended 31 March 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: financial statements as a whole	£3.5m (2020: £3.1m) 1% (2021: 0.9%) of Turnover	
Key audit matters		**vs 2021**
Recurring risks	Recoverable amount of development programme schemes and associated land	◄►
	Valuation of defined benefit pension scheme gross obligation	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2020), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Recoverable amount of development programme schemes and associated land Stock: £127.5 million (2021: £102.2 million) *Refer to page 19 (accounting policy) and page 32 (financial disclosures).*	**Forecast-based valuation:** The Association has a significant development programme including a significant portfolio of properties developed for commercial sale and rent, the recoverable amount of which could potentially be affected by changing market conditions during the year. The Association has appraisal processes in place to determine the recoverable amount of each development scheme (and help identify any potential impairment risks). The accounting of these schemes contains a number of assumptions and judgements relating to the recoverability of assets for sale and work in progress, capitalised costs (including internal staff and other costs), allocation of costs between tenure types, as well as complex contractual arrangements with third party contractors and partners. The Directors review the assumptions and appraise the developments regularly, and at the year end, to determine the recoverable amount of the assets. This also includes the consideration of impairment on significant developments due to time delays, increases in construction costs, falling land values, and/or budget overruns. There is a risk that the appropriate valuation and accounting treatment is not applied to development transactions leading to material misstatements in the valuation of stock held by the Association.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Methodology choice:** Assessment of the appraisal processes that are used to determine the scheme current asset stock and work in progress carrying values to check that these are consistent with our sector and entity knowledge; — **Benchmarking Assumptions:** Assessment of the assumptions that have been used to underpin the appraisal processes to assess their appropriateness, including consideration of the planned tenure mix for the development schemes being considered, and comparison of key assumptions (e.g. market value of properties, cost inflation, sales forecasts) to current third party online data, including appropriate online indexes (e.g. the Building Cost Information Service index); — **Our sector experience:** Consideration of the Directors ' assessment of whether there has been an impairment indicator and assessment of this based on other evidence obtained during the audit including the sales performance of schemes and market indicators; and — **Tests of details:** Agreeing the underlying data used in the appraisal processes, including consideration of the sales history and costs incurred during the 2021/22 financial year, back to sales certification documentation and other third party documentation, such as invoices. — **Tests of detail**: Performing sensitivity analysis on the impact of key elements of the estimates of costs to complete to determine the impact on the recoverability of stock and WIP and margin calculations of reasonable possible changes in those assumptions. **Our results:** We found the resulting estimate of the recoverable amount of development programme schemes and associated land to be acceptable (2021: acceptable).

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	The risk	Our response
Valuation of defined benefit pension scheme gross obligation Group Retirement Benefit Scheme gross pension obligation: £236.7 million (2021: £251.0 million) *Refer to page 75 (Audit and Risk Committee Report), page 17 (accounting policy) and page 44 (financial disclosures).*	**Subjective valuation** The Group is a member of various defined benefit pension schemes, which are material to the Group, including: the Social Housing Pension Scheme and the Places for People Group Retirement Benefit Scheme. The valuation of such schemes relies on a number of assumptions, most notably around the actuarial assumptions. It is important that the assumptions used reflect the profile of the Group's employees. It is also important that assumptions are derived on a consistent basis year to year, or updated to reflect the Group's current position. There are also generic financial assumptions and demographic assumptions used in the calculation of the Group's gross pension obligation. There is a risk that, if the assumptions used are not appropriate, the amounts shown in the financial statements for the pension scheme obligation could be materially misstated. We have rebutted the risk in relation to the Social Housing Pension Scheme because of the size of the gross obligation in that scheme relative to materiality and therefore the reduced risk of material misstatement.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Assessing actuary's credentials:** Assessing the competence, capability, objectivity and independence of the external Actuary used. — **Benchmarking assumptions:** Challenging, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate, and mortality/life expectancy against externally derived data; and — **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to these assumptions. — **Reliability of data:** Agreed data provided to the Scheme Administrator for calculation of scheme valuation. **Our results:** We found the resulting estimate of valuation of defined benefit pension scheme gross obligation to be acceptable (2021: acceptable).

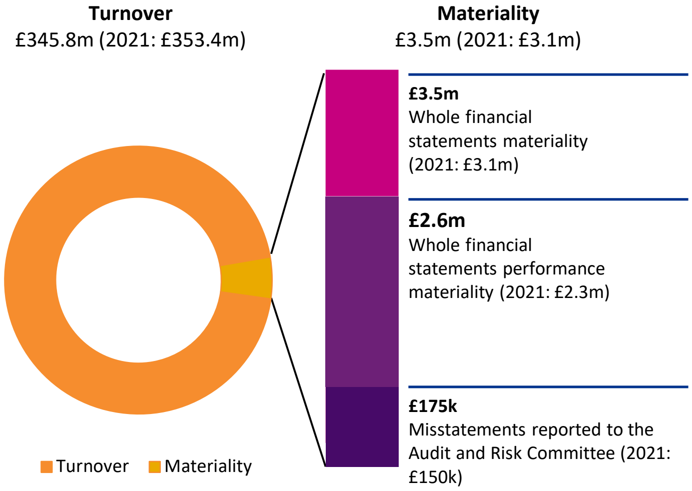
3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £3.5m (2021: £3.1m), determined with reference to a benchmark of turnover, of which it represents 1% (2021: 0.9%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 74% (2021: 74%) of materiality for the financial statements as a whole, which equates to £2.6m (2021: £2.3m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £175k (2021: £150k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Association was undertaken to the materiality and performance materiality levels specified above and was performed by a single audit team.



4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that 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").

We used our knowledge of the Association, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Association's available financial resources over this period were:

— The impact of further rent reductions;

— A downturn in the development market;

We also considered less predictable but realistic second order impacts, such as the impact of Brexit which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the Directors' sensitivities over the level of available financial resources indicated by the Association's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

— Assessing whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies;

— We compared past budgets to actual results to assess the directors' track record of budgeting accurately;

— We evaluated the achievability of the actions the directors consider they would take to improve the position should the risks materialise, which included, conversion of developed units into market rent, the sale of commercial subsidiaries and investment properties and reduction in capital expenditure, taking into account the extent to which the directors can control the timing and outcome of these; and.

— We assessed the completeness of the going concern disclosure

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 directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period; and

— we found the going concern disclosure in note 1 to be acceptable.

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 Association will continue in operation.

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5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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 Association’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 Audit and Risk Committee minutes.

— Using analytical procedures to identify any unusual or unexpected relationships.

— Obtaining a copy of the Association's fraud register

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 the Association 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 are 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 of the design and implementation of some of the Association-wide fraud risk management controls

We also performed procedures including:

— Identifying journal entries 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 revenue that were considered outside of the normal course of business.

— Assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in pension valuations and the value of housing stock held in current assets.

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 Association 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 Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related cooperative & community benefit society legislation), taxation legislation, pensions legislation and specific 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 Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of co-operative & community benefit society legislation recognising the nature of the Association’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.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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.

Report of the Board

Based solely on our work on the other information:

— we have not identified material misstatements in the Report of the Board;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7. We have nothing to report on the other 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.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine 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 they either intend to liquidate the Association or to cease operations, or have 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.

9. 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 for our audit work, for this report, or for the opinions we have formed.

Harry Mears

(Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15, Canada Square

London

E14 5GL

23 August 2022

KPMG

Places for People Homes Limited
Statement of Comprehensive Income
For the year ending 31 March 2022

	Notes	**2022**	2021
		£m	£m
Turnover	2	**345.1**	353.4
Cost of sales	2	**(66.1)**	(82.3)
Operating costs	2	**(152.7)**	(151.9)
Surplus on sale of fixed assets	4	**7.2**	4.7
(Loss)/gain on revaluation of investment properties	13	**(2.1)**	3.3
Operating surplus		**131.4**	127.2
Interest receivable and similar income	7	**17.5**	14.0
Interest payable and similar charges	8	**(107.7)**	(104.4)
Surplus on ordinary activities before taxation		**41.2**	36.8
Tax on surplus on ordinary activities	10	**(4.1)**	(4.9)
Surplus for the year		**37.1**	31.9
Fair value gain/(loss) on interest rate and currency swaps		**8.1**	(54.5)
Debt revaluation on interest rate and currency swaps		**-**	52.2
Deferred tax on interest rate and currency swaps	10	**(0.3)**	0.4
Actuarial loss recognised in the pension scheme	26	**(0.3)**	(34.0)
Actuarial gain recognised in the pension scheme	26	**5.8**	-
Deferred tax arising on pension scheme	10	**(4.8)**	8.3
Total comprehensive income for the year		**45.6**	4.3

The notes on pages 15 to 47 form an integral part of these financial statements.

The financial statements on pages 12 to 47 were approved by the Board on 28 July 2022, and signed on its behalf by:

R Gregory
Chair

G Reed
Board Member

C Martin
Secretary

Places for People Homes Limited
Statement of Financial Position
At 31 March 2022

	Note	**2022 £m**	**2022 £m**	2021 £m	2021 £m
Fixed assets					
Housing properties	11	**2,102.5**		1,958.2	
Other fixed assets	12	**80.3**		67.3	
Fixed asset investments	13	**1,117.2**		1,261.0	
HomeBuy	14	**39.1**		43.5	
			3,339.1		3,330.0
Non-current assets					
Debtors: amounts falling due after more than one year	16	**26.9**		22.5	
Pension surplus	26	**10.6**		-	
			37.5		22.5
Current assets					
Stock	15	**121.1**		102.8	
Debtors: amounts falling due within one year	17	**106.6**		88.1	
Investments	18	**0.2**		6.1	
Cash and cash equivalents		**10.6**		2.6	
		238.5		199.6	
Creditors: amounts falling due within one year	19	**(219.7)**		(197.6)	
Provisions for liabilities and charges	22	**(3.7)**		-	
Net current assets			**15.1**		2.0
Non-current liabilities					
Creditors: amounts falling due after more than one year	20	**(3,091.2)**		(3,096.9)	
Pension liability	26	**(1.4)**		(3.3)	
			(3,092.6)		(3,100.2)
Net assets			**299.1**		254.3
Capital and reserves					
Income and expenditure reserve			**328.0**		291.3
Cash flow hedge reserve			**(28.9)**		(37.0)
Total capital and reserves			**299.1**		254.3

The notes on pages 15 to 47 form an integral part of these financial statements.

The financial statements on pages 12 to 47 were approved by the Board on 28 July 2022, and signed on its behalf by:

R Gregory
Chair

G Reed
Board Member

C Martin
Secretary

Places for People Homes Limited
Statement of Changes in Reserves
For the year ending 31 March 2022

	Income and expenditure reserve	Cash Flow Hedge Reserve	Total Reserves
	£m	**£m**	**£m**
Balance at 1 April 2021	**291.3**	**(37.0)**	**254.3**
Total comprehensive income for the year			
Surplus for the year	37.1	-	37.1
Fair value gain on interest rate and currency swaps	-	8.1	8.1
Revaluation gain on interest rate and currency swaps	-	-	-
Deferred tax on interest rate and currency swaps	(0.3)	-	(0.3)
Actuarial loss recognised in the pension scheme	(0.3)	-	(0.3)
Actuarial gain recognised in the pension scheme	5.8	-	5.8
Deferred tax arising on pension scheme	(4.8)	-	(4.8)
Transfer of gift aid to related undertaking	(0.8)	-	(0.8)
Balance at 31 March 2022	**328.0**	**(28.9)**	**299.1**

The notes on pages 15 to 47 form an integral part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

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

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 for Private Registered Providers of Social Housing 2019, and with the Companies Act 2006. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (RSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Gray's Inn Road, London, England, WC1X 8QR. 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 statement of a cash flows and related notes).

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

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.

Places for People Homes 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 consolidated financial statements.

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.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

Lease classification

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

The Association 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 Association 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 Association substantially holds the risks and rewards of ownership.

The Association has reviewed this assessment for the year ended 31 March 2022 and concluded the arrangement should continue to be classified as a finance lease.

Investment properties

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

The Association 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 Association has also reviewed both Section 16 of FRS 102 and Section 8 of the Housing SORP which preclude the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this requirement by judging, amongst other things, that rental properties without public subsidy attached to them, unless there are other reasons, should be classified as investment properties.

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 Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £2.0bn. The residual value of social housing property structure is £196.4m above the carrying value as at 31 March 2022.

Defined benefit pension schemes

The Association has defined benefit obligations relating to two 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 Association engages qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total surplus by £3.9m.

The Group is party to legal action arising from the scheme rules on the Group retirement benefit pension scheme, and the Social Housing Pension Scheme. More detail can be found in note 25.

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.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Recoverability of Stock

The Association has £121.1m of stock at 31 March 2022 (2021: £102.8m), comprising land of £7.6m, properties in construction of £61.7m and completed properties of £51.8m. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Association also undertakes sensitivity analysis and has assessed that that a short-term drop in expected selling prices of our completed properties of 5% would not result in a material impairment charge.

The Association monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Association makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Association judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

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, grant amortisation and revenue grants from local authorities and Homes England, mortgage broker fees, equity loan fee income, personal loans interest and loan service delivery fees and other income.

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.

All turnover arises from activities within the United Kingdom.

Corporation tax

The Association 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 Association'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

There are three pension schemes, two of which are defined benefit pension schemes based on final pensionable salary. Details of the schemes are set out in Note 25.

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 surpluses are recognised where there is an unconditional right to a refund of that surplus. 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.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Housing Properties

Housing properties are those held primarily for the provision of social benefits. 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 Association 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 Association is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

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.

Assets	Depreciation period (years)
Rented housing & commercial properties:	
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
Shared Ownership housing:	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term
Other fixed assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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, depreciated replacement 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 Association defines cash generating units as housing schemes except where its schemes 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.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Concessionary Loans

The Association has a HomeBuy arrangement which is considered to be a concessionary loan.

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Association meet the definition of concessionary loans and are shown as fixed assets investments on the statement of financial position. The HomeBuy grant provided by the government to fund all or part of a HomeBuy loan is classified as a creditor due in more than one year.

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.

Financial Instruments

The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Debt service reserves held in trust as security against debt holdings are categorised as held-to-maturity and measured at amortised cost using the effective interest method.
- Loans and mortgages receivable are categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Amounts recoverable on long term contracts are included with debtors.
- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Discounted bonds are shown at their redemption value less deferred interest. Deferred interest represents the discount on the issue of the discounted bonds. Discounts are recognised in the statement of comprehensive income on an effective yield basis.
- Derivatives, comprising interest rate and currency swaps, are held at fair value. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in reserves. Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income account. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The associated cumulative gain or loss is removed from equity and recognised in the statement of comprehensive income account in the same period or periods during which the hedged forecast transaction affects profit or loss.
- The cost of raising finance is amortised over the period of the associated financial instrument. The deferred cost is offset against the liability recognised in the statement of financial position.
- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Derivatives require fair value measurement each year and consequently they are subject to categorisation under the hierarchy approach.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one month or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 Association classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Association. 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 Association 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.

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2022					2021				
	Turnover	**Cost of sales**	**Operating costs**	**Other operating items**	**Operating surplus**	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Social housing lettings (note 3)	**222.0**	**-**	**(112.1)**		**109.9**	217.8	-	(107.6)		110.2
Other social housing activities										
Social housing property sales	**-**	**-**	**-**	**-**	**-**	1.1	-	(1.6)	-	(0.5)
Shared Ownership property sales	**31.2**	**(20.3)**	**(0.8)**	**-**	**10.1**	19.5	(16.7)	(0.8)	-	2.0
Charges for support services	**0.1**	**-**	**(0.1)**	**-**	**-**	0.1	-	(0.1)	-	-
	253.3	**(20.3)**	**(113.0)**	**-**	**120.0**	238.5	(16.7)	(110.1)	-	111.7
Non-social housing activities	**91.8**	**(45.8)**	**(39.7)**	**-**	**6.3**	114.9	(65.6)	(41.8)	-	7.5
	345.1	**(66.1)**	**(152.7)**	**-**	**126.3**	353.4	(82.3)	(151.9)	-	119.2
Surplus on sale of fixed assets (note 4)	**-**	**-**	**-**	**7.2**	**7.2**	-	-	-	4.7	4.7
Gain/(loss) on revaluation of investment properties	**-**	**-**	**-**	**(2.1)**	**(2.1)**	-	-	-	3.3	3.3
	345.1	**(66.1)**	**(152.7)**	**5.1**	**131.4**	353.4	(82.3)	(151.9)	8.0	127.2

	2022	2021
	£m	£m
Social housing activities	**253.3**	238.5
Non-social housing activities		
Non-social housing property sales	**22.4**	48.2
Non-social construction	**34.0**	33.8
Non-social housing lettings	**26.5**	25.4
Mortgages and Equity loans	**3.3**	2.8
Other	**5.6**	4.7
	345.1	353.4

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2022				2021
	General needs housing	**Supported housing & housing for older people**	**Other**	**Total**	Total
	£m	**£m**	**£m**	**£m**	£m
Income					
Rent receivable net of identifiable service charges	**156.3**	**7.3**	**10.8**	**174.4**	169.9
Service charge income	**11.7**	**3.5**	**1.8**	**17.0**	16.3
Amortised government grants	**12.9**	**0.7**	**0.2**	**13.8**	15.6
Revenue guarantee	**0.3**	**-**	**-**	**0.3**	2.7
Other income	**15.5**	**0.8**	**0.2**	**16.5**	13.3
Turnover from social housing lettings	**196.7**	**12.3**	**13.0**	**222.0**	217.8
Expenditure on social housing lettings activities					
Management	**(25.7)**	**(0.7)**	**(1.0)**	**(27.4)**	(29.0)
Service charge costs	**(10.6)**	**(3.8)**	**(2.1)**	**(16.5)**	(16.7)
Routine maintenance	**(23.3)**	**(1.2)**	**(0.9)**	**(25.4)**	(25.3)
Planned maintenance	**(7.7)**	**(0.8)**	**(0.1)**	**(8.6)**	(7.0)
Major repairs expenditure	**(1.6)**	**-**	**(0.1)**	**(1.7)**	(2.9)
Bad debts	**(0.3)**	**-**	**(0.1)**	**(0.4)**	(1.5)
Depreciation	**(23.5)**	**(1.2)**	**(0.3)**	**(25.0)**	(17.0)
Intra group property recharges	**(5.8)**	**(0.3)**	**(0.1)**	**(6.2)**	(6.7)
Other costs	**(0.9)**	**-**	**-**	**(0.9)**	(1.5)
Operating costs on social housing lettings	**(99.4)**	**(8.0)**	**(4.7)**	**(112.1)**	(107.6)
Operating surplus on social housing lettings	**97.3**	**4.3**	**8.3**	**109.9**	110.2
Void Losses	**(1.5)**	**-**	**(0.1)**	**(1.6)**	(1.7)

4. SALE OF FIXED ASSETS

	2022			
	Sale proceeds	**Cost of sales**	**Other sales expenses**	**Surplus**
	£m	**£m**	**£m**	**£m**
Sale of housing assets	**20.3**	**(11.6)**	**(1.0)**	**7.7**
Sale of fixed asset investments	**26.6**	**(26.3)**	**(0.8)**	**(0.5)**
	46.9	**(37.9)**	**(1.8)**	**7.2**

	2021			
	Sale proceeds	Cost of sales	Other sales expenses	Surplus
	£m	£m	£m	£m
Sale of housing assets	15.6	(10.9)	(0.7)	4.0
Sale of fixed asset investments	21.2	(19.8)	(0.7)	0.7
	36.8	(30.7)	(1.4)	4.7

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 £nil (2021: £99,000). This excludes any emoluments that were met by Places for People Group Limited.

Included within operating costs is a share of the salary costs of the Board Members.

6. EMPLOYEE INFORMATION

The average number of employees expressed as full time equivalents (including the Executive Directors) employed during the year was:	**2022** **No.**	2021 No.
Managing housing services	**1,069**	1,106
Developing and selling houses	**10**	68
Care services	**13**	16
	1,092	1,190

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 company. The monthly numbers are then added together and divided by the number of months in the financial year.

Staff costs (for the above persons):	**2022** **£m**	2021 £m
Wages and salaries	**36.7**	42.3
Severance costs	**0.4**	0.8
Social security costs	**3.6**	4.3
Other pension costs	**3.4**	4.0
	44.1	51.4

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be Executive Directors and members of the Places for People Homes Ltd management team, which includes staff with authority and responsibility for planning, directing and controlling activities of the Places for People Homes Limited's operations.

	2022 **No.**	2021 No.
£60,000 - £69,999	**1**	1
£70,000 - £79,999	**-**	3
£80,000 - £89,999	**1**	2
£90,000 - £99,999	**3**	-
£100,000 - £109,999	**1**	1
£110,000 - £119,999	**1**	1
£120,000 - £129,999	**2**	-
£130,000 - £139,999	**-**	2
£140,000 - £149,999	**-**	1
£150,000 - £159,999	**2**	-
£160,000 - £169,999	**1**	-
£170,000 - £179,999	**1**	-
	13	11

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£m	£m
On financial assets not at fair value through income and expense:		
Interest receivable on loans to related undertakings	9.1	8.7
Other interest receivable	4.5	4.5
Dividend receivable	3.9	0.7
Interest receivable on cash deposits	-	0.1
	17.5	14.0

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
On financial liabilities not at fair value through income and expense:	£m	£m
On loans from related undertakings	42.8	39.5
On bank loans and overdrafts	54.9	55.2
On finance leases	10.9	10.8
In respect of Recycled Capital Grant Fund	0.1	-
	108.7	105.5
On defined benefit retirement schemes:		
Expected return on pension assets	(5.4)	(6.2)
Interest on scheme liabilities	5.4	5.6
	-	(0.6)
Less: Capitalised interest	(1.0)	(0.5)
	107.7	104.4
Capitalisation rate used to determine the finance costs capitalised during the year:	3.90%	3.23%

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022	2021
Surplus on ordinary activities before taxation is stated after charging:	£m	£m
Depreciation and impairment:		
Tangible fixed assets	27.7	21.2
Payments under operating leases:		
Motor vehicles	3.1	3.4
Housing properties	0.9	0.7

Auditor's remuneration in relation to audit services in the year was £90,500 (2021: £82,400).

10. TAXATION

	2022	2021
a) Analysis of charge in period	**£m**	£m
Current tax		
UK corporation tax on surplus of the period	**0.7**	2.0
Adjustments in respect of prior periods	**1.5**	(0.3)
Group relief payable	**2.9**	3.2
Total current tax on surplus on ordinary activities	**5.1**	4.9
Deferred tax (note 10e)		
Origination and reversal of timing differences	**0.4**	1.2
Adjustments in respect of prior periods	**(1.0)**	(1.2)
Effect of tax rate change on opening balance	**(0.4)**	-
Total deferred tax	**(1.0)**	-
Tax on surplus on ordinary activities (note 10c)	**4.1**	4.9

b) Tax included in company statement total other comprehensive income

The tax charge/(credit) is made up as follows:	**2022**	2021
	£m	£m
Pension surplus/(deficit)	**4.8**	(8.3)
Fair value adjustment on swaps	**0.3**	(0.4)
	5.1	(8.7)

c) Factors affecting tax charge for period

The tax assessed is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

Surplus on ordinary activities before tax	**41.2**	36.8
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**7.8**	7.0
Effects of:		
Fixed asset differences	**(0.4)**	(0.3)
Income not deductible for tax purposes	**(3.1)**	(0.5)
Chargable gains	**0.6**	0.2
Movement in unrecognised deferred tax	**(1.8)**	-
Rate difference	**0.5**	-
Adjustments in respect of prior periods	**0.5**	(1.5)
Tax charge for period (note 10a)	**4.1**	4.9

d) Factors that may affect future tax charges

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.

10. TAXATION (Continued)

	2022	2021
e) Provision for deferred tax	**£m**	£m
Accelerated capital allowances	**6.9**	3.6
Other short term timing differences	**(1.4)**	3.0
Capital losses	**-**	-
Interest rate and currency swaps gains/losses taken through other comprehensive income	**(5.2)**	(5.5)
Pension actuarial gains/losses taken through other comprehensive income	**3.4**	(1.4)
Provision for deferred tax	**3.7**	(0.3)
Provision at 1 April	**(0.3)**	8.4
Expense in the year in statement of comprehensive income	**0.4**	1.2
Effect of tax rate change on opening balance	**(0.4)**	-
Expense in the year in statement of comprehensive income in other comprehensive income	**5.0**	(8.7)
Adjustments in respect of prior periods	**(1.0)**	(1.2)
Provision at 31 March at 19% (2021: 19%) (note 17 & 19)	**3.7**	(0.3)

11. HOUSING PROPERTIES

	Housing properties and land	Completed LSE & Shared Ownership housing properties	Housing properties in the course of construction	LSE & Shared Ownership properties in the course of construction	Total housing properties
	£m	£m	£m	£m	£m
Cost					
At 1 April 2021	2,062.1	172.8	20.6	11.7	**2,267.2**
Development additions	-	-	78.5	30.4	**108.9**
Major work additions	-	-	36.5	-	**36.5**
Transfer to completed schemes	89.8	34.0	(89.8)	(34.0)	**-**
Change of tenure	33.0	(0.1)	(4.7)	0.7	**28.9**
Transfer to sales account on disposal	(8.3)	(4.5)	-	-	**(12.8)**
At 31 March 2022	**2,176.6**	**202.2**	**41.1**	**8.8**	**2,428.7**
Depreciation and impairment					
At 1 April 2021	(296.4)	(12.6)	-	-	**(309.0)**
Charge for year:					
Depreciation	(19.4)	-	-	-	**(19.4)**
Eliminated on disposal:					
Depreciation	1.5	0.3	-	-	**1.8**
Impairment	0.4	-	-	-	**0.4**
At 31 March 2022	**(313.9)**	**(12.3)**	**-**	**-**	**(326.2)**
Net book value at 31 March 2022	**1,862.7**	**189.9**	**41.1**	**8.8**	**2,102.5**
Net book value at 1 April 2021	1,765.7	160.2	20.6	11.7	1,958.2

LSE denotes Leasehold Schemes for the Elderly.

Housing properties comprise:	**2022**	2021
	£m	£m
Freehold	**2,022.6**	1,891.1
Long leasehold	**398.8**	369.0
Short leasehold	**7.3**	7.1
	2,428.7	2,267.2

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, which is derived using a percentage of development activity spend, amounting to £6.7m (2021: £1.0m). The appropriateness of the percentage applied is reviewed annually.

Additions to housing properties in the course of construction during the year include capitalised interest of £0.9m (2021: £0.5m).

12. OTHER FIXED ASSETS

	Computer equipment	Plant & Specialist Equipment	Fixtures & Fittings	Commercial & Office Properties: Freehold	Commercial & Office Properties: Long leasehold	Commercial & Office Properties: Short leasehold	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
At 1 April 2021	62.4	-	6.3	13.8	11.7	2.9	**97.1**
Additions	14.9	1.1	(0.1)	1.6	3.6	0.2	**21.3**
Change of tenure	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	**-**
At 31 March 2022	**77.3**	**1.1**	**6.2**	**15.4**	**15.3**	**3.1**	**118.4**
Depreciation							
At 1 April 2021	(18.4)	-	(5.7)	(1.0)	(2.2)	(1.7)	**(29.0)**
Charge for year	(6.8)	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)	**(8.2)**
Eliminated on disposal	-	-	-	-	-	-	**-**
At 31 March 2022	**(25.2)**	**(0.1)**	**(5.9)**	**(1.2)**	**(2.4)**	**(2.4)**	**(37.2)**
Impairment							
At 1 April 2021	-	-	-	(0.3)	(0.5)	-	**(0.8)**
Charge for year	-	-	-	(0.1)	-	-	**(0.1)**
At 31 March 2022	**-**	**-**	**-**	**(0.4)**	**(0.5)**	**-**	**(0.9)**
Net book value at 31 March 2022	**52.1**	**1.0**	**0.3**	**13.8**	**12.4**	**0.7**	**80.3**
Net book value at 1 April 2021	44.0	-	0.6	12.5	9.0	1.2	67.3

13. FIXED ASSET INVESTMENTS

	2022	2021
	£m	£m
External investments and investment in related undertakings (a)	**759.3**	849.2
Investment property (b)	**357.9**	411.8
Total fixed asset investments	**1,117.2**	1,261.0

(a) External investments and investment in related undertakings	2022	2021
	£m	£m
Cost		
At 1 April	**855.3**	823.3
At 31 March	**765.4**	855.3
Accumulated impairment		
At 1 April	**(6.1)**	(0.2)
Provision raised in the year	**-**	(6.1)
Reversal of impairment	**-**	0.2
At 31 March	**(6.1)**	(6.1)
Net book value at 31 March	**759.3**	849.2
Equity investments in related undertakings	**431.3**	431.3
Investments in joint venture undertakings	**27.5**	26.3
External investments	**35.2**	33.3
Cash deposits	**26.7**	26.6
Amounts due from related undertakings	**226.2**	308.3
Amounts due from joint venture undertakings	**12.4**	23.4
	759.3	849.2

The cash deposits are as follows:-

Investments in Debt Servicing Reserves are held in trust for the Association by the Prudential Trustee Company as security against the 6.625% Eurobond 2038, and the 5.09% secured Bond 2024, and by Abbey National Treasury Services as security against a fixed rate loan of £39 million. The reserves equate to one year's payment of interest and principal.

13. FIXED ASSET INVESTMENTS (Continued)

Places for People Homes Limited equity investments at cost are analysed as follows:

	2022	2021
	£m	£m
Investments in related undertakings		
Blueroom Properties Limited	**36.0**	36.0
Cityscape Edinburgh LLP	**5.8**	5.8
Lighthouse Court LLP	**2.7**	2.7
Places for People Financial Services Limited	**0.5**	0.5
Places for People Landscapes Limited	**0.3**	0.3
Places for People Scotland Limited	**1.0**	1.0
Places for People Ventures Limited	**185.0**	185.0
Places for People Ventures Operations Limited	**200.0**	200.0
	431.3	431.3
Investments in joint venture undertakings		
Eastwick & Sweetwater Projects (Holdings) Limited	**26.4**	25.7
NG PFP JV LLP	**1.1**	0.6
	27.5	26.3
External investments		
Viridian Concepts Limited	**-**	0.2
Ilke Homes Holdings Limited	**10.0**	10.0
Picture Living LP	**25.2**	23.1
	35.2	33.3

(b) Investment properties	**£m**
At 1 April 2021	411.8
Additions	5.2
Change of tenure	(30.7)
Revaluation in year	(2.1)
Disposals	(26.3)
At 31 March 2022	**357.9**

14. HOMEBUY

	2022	2021
	£m	£m
Gross valuation		
At 1 April	**57.5**	63.5
Net appreciation in year	**1.9**	1.1
Disposals in year	**(7.4)**	(7.1)
At 31 March	**52.0**	57.5
Other associated liabilities		
At 1 April	**(14.0)**	(15.6)
Net appreciation in year	**(0.7)**	(0.2)
Disposals in year	**1.8**	1.8
At 31 March	**(12.9)**	(14.0)
Net book value at 31 March	**39.1**	43.5

15. STOCK

	2022	2021
	£m	£m
Housing properties for sale		
Land	**7.6**	7.0
Buildings - In Progress	**61.7**	64.2
Buildings - Completed	**51.8**	31.6
	121.1	102.8

16. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£m	£m
Other trade debtors	**-**	-
Revaluation of foreign currency denominated debt	**13.3**	16.7
Mortgages	**1.2**	1.3
Derivative financial instruments held to manage the interest rate profile and currency risk	**12.4**	4.5
	26.9	22.5

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£m	£m
Rental debtors	**9.3**	8.9
Less: provision for bad and doubtful debts	**(2.4)**	(3.3)
	6.9	5.6
Agency leases	**0.2**	0.1
Other trade debtors	**11.6**	18.9
Development debtor	**26.2**	16.2
Loans to employees	**-**	0.3
Amounts due from related undertakings	**31.6**	18.6
Amounts due from joint ventures	**2.0**	0.3
Mortgages	**0.1**	0.1
Corporation Tax	**2.5**	3.2
Deferred tax (note 10)	**-**	0.3
Sundry debtors, prepayments and accrued income	**22.4**	23.6
Derivative financial instruments held to manage the interest rate profile and currency risk	**3.1**	0.9
	106.6	88.1

18. CURRENT ASSET INVESTMENTS

	2022	2021
	£m	£m
Cash held as security	**0.2**	6.1

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Debt	**£m**	£m
Housing and bank loans	**35.9**	13.6
Debenture stocks and bonds	**2.6**	2.4
Discount on bond issue	**(4.8)**	(5.4)
Amounts owed to related undertakings	**69.3**	49.9
Finance lease	**1.1**	1.2
Derivative financial instruments held to manage the interest rate profile and currency risk	**4.2**	3.6
	108.3	65.3
Other financial liabilities		
Deferred Government Grant	**14.7**	13.8
Recycled Capital Grant Fund	**6.6**	15.5
Interest on loans	**25.9**	29.7
Trade creditors	**5.8**	14.8
Other taxes	**0.7**	-
Development creditor	**18.6**	18.5
Other creditors and accruals	**25.4**	27.8
Payments received on account	**8.8**	7.8
Prepaid rent	**4.9**	4.4
	219.7	197.6

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£m	£m
Debt		
Housing and bank loans	**192.6**	204.7
Debenture stocks and bonds	**720.2**	722.9
Discount on bond issue	**(24.5)**	(28.6)
Amounts due to related undertakings	**1,232.0**	1,220.2
Obligations under finance lease	**152.9**	154.0
Derivative financial instruments to manage the interest rate profile and currency risk	**46.6**	45.2
	2,319.8	2,318.4
Other financial liabilities		
Recycled Capital Grant Fund	**37.0**	23.7
Deferred government grant	**714.4**	731.9
HomeBuy grant	**20.0**	22.9
	3,091.2	3,096.9

The total value of the loans subject to a guarantee is £nil (2021: £nil).

All secured loans are supported by specific charges on the Group or Associations' housing properties and are repayable at varying rates of interest from, 5.09% - 10.99%, in instalments.

Included within housing and bank loans is £5.2m (2021: £6.0m) which relates to the cost of debt issue.

21. RECYCLED CAPITAL GRANT FUND AND DISPOSAL PROCEEDS FUND

RECYCLED CAPITAL GRANT FUND

		Homes England		Greater London Authority	
		2022	2021	**2022**	2021
		£m	£m	**£m**	£m
At 1 April		**34.6**	31.9	**4.6**	7.9
Inputs to RCGF:	Grant recycled	**4.7**	5.7	**1.8**	1.3
	Interest Accrued	**0.1**	-	**-**	-
Recycling of grant:	New Build	**(0.1)**	(2.2)	**-**	-
	Transfers to other Group members	**-**	(0.8)	**-**	-
Repayment of grant to the HE/GLA		**-**	-	**(2.2)**	(4.6)
At 31 March		**39.3**	34.6	**4.2**	4.6
Amounts 3 years old or older where repayment may be required		**21.4**	15.0	**-**	2.9
Total recycled capital grant fund		**43.5**	39.2		

DISPOSALS PROCEEDS FUND

		Homes England		Greater London Authority	
		2022	2021	**2022**	2021
		£m	£m	**£m**	£m
At 1 April		**-**	-	**-**	0.1
	Transferred to reserves	**-**	-	**-**	(0.1)
At 31 March		**-**	-	**-**	-
Amounts 3 years old or older where repayment may be required		**-**	-	**-**	-
Total disposal proceeds fund		**-**	-		

22. PROVISION FOR LIABILITIES AND CHARGES

	At 1 April 2021	**Additional provision**	**Utilised**	**At 31 March 2022**
	£m	**£m**	**£m**	**£m**
Deferred tax liabilities (note 10)	-	**3.7**	**-**	**3.7**
	-	**3.7**	**-**	**3.7**

23. NON-EQUITY SHARE CAPITAL

	2022	2021
Issued, allotted and fully paid shares of £1 each	**£**	£
At 31 March	**8**	7

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules.

On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

24. CAPITAL COMMITMENTS

	2022	2021
	£m	£m
Capital expenditure authorised and contracted but not provided for within the financial statements	**67.3**	84.0
Additional expenditure authorised by the Board	**1,091.1**	526.2

The above commitments will be financed in accordance with the Group Treasury management policy which is detailed in the Places for People Group consolidated accounts.

Non-cancellable operating lease rentals are payable as follows:

	2022	2021
	£m	£m
Motor vehicles and equipment		
In one year or less	**2.3**	2.3
In one year or more but less than five years	**3.3**	4.2
	5.6	6.5
Land and buildings		
In one year or less	**0.9**	0.7
In one year or more but less than five years	**3.8**	2.7
In more than five years	**7.6**	6.1
	12.3	9.5

25. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Places for People Group board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit & Risk Committee oversees how management monitors compliance with the Association's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Association. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. That team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Association's Treasury function is responsible for the management of funds and control of the associated risks. Its activities are governed in accordance with Board approved policy and are subject to regular audit. The function does not operate as a profit centre. The Association's policy is to retain minimal cash whilst targeting facilities to finance 1 year's cash flow. Cash projections cover a 3 year period to continuously monitor future borrowing requirements.

The net cash generated from operating activities was £106.8m (2021: £109.0m). Places for People Homes had further available facilities of £960.0m (2021: £873.2m) and the Group has established a European Medium Term Note Programme of £293.5m (2021: £553.5m) for future fundraising.

Market risk

Market risk comprises interest rate risk, currency risk and other price risk.

Interest rate risk

The Association's strategy is to contain interest rate risk within 30% of the loan book, with the Board exercising a strict control over derivative transactions; currently 84% of debt is either held at fixed rates of interest or hedged against adverse rate movements.

The Association manages its exposure to this risk through a mix of debt at fixed rates of interest and interest rate hedging techniques.

It is estimated that each quarter percent increase in interest rates would increase interest payable costs by £0.6m per annum. Due to the low levels of cash and cash deposits held, the impact of a change in the interest rate on interest receivable is insignificant.

During the year, the Association has adopted 'Amendments to FRS-102 Interest Rate benchmark reform-Phase 2', referred to as 'IBOR reform'. The Association's exposure to IBOR reform is through cross currency interest rate swaps that reference a floating Sterling LIBOR. Accordingly, following practical expedient as per para 11.20C, the Association amended contractual terms of financial instruments indexed to the relevant LIBORs, such that these will be replaced by risk-free rates after IBOR cessation, thereby removing IBOR reform-related uncertainty. IBOR reform have not had a material effect on the Association's financial statements.

Currency risk

The Association has no overseas subsidiaries and trades only in sterling. The Association has some bonds which are denominated in foreign currency. The Association's strategy is to mitigate currency risk arising from foreign currency denominated debt. This is achieved using cross currency swaps. Currency cash flows exposure is fully hedged, therefore a change in the foreign currency rate would be fully offset by the swaps.

25. FINANCIAL INSTRUMENTS (Continued)

Other price risk

The Association is impacted by general changes in price levels and specifically the Retail Price Index (RPI). This is because some payments to retail bond holders are directly linked to the RPI.

It is estimated that each quarter percent increase in RPI would increase interest payable costs by £0.16m per annum.

Credit risk

Credit risk arises from exposure to the risk of a loss if a counterparty fails to perform its obligations to the Group. This relates to exposures to financial institutions for investments and cash deposits placed, with corporates for credit granted in the course of operations and with individuals for rent receivable and loans granted.

The Association's credit exposure is virtually nil all within the United Kingdom.

Whilst the Association's maximum exposure to credit risk is best represented by the carrying value of the individual assets, in most cases the likely exposure is far less due to the nature of the debt held, credit status of counterparties, security held and other actions taken to mitigate the risk to the Association as described below:

- In respect of investments and deposits placed, the Association has established strict counterparty credit limits based on the overall level of its investment activity and the credit quality of the institutions with which investments are placed. External fund managers are employed to manage investment in government securities which are held as debt reserves to credit enhance certain loan stocks; these reserves are held at levels in excess of covenanted requirements in order to manage against the risk of short-term movements in financial markets.
- In respect of financial derivative instruments, the Association treasury team currently performs a weekly review of the credit ratings of all its financial institution counterparties. The credit risk on liquid funds and derivative financial instruments is managed through the Association's policies of monitoring counterparty exposure, concentration of credit risk through the use of multiple counterparties and the use of counterparties of investor grade quality.
- In respect of individuals, tenants arrears are reported each working day and dedicated teams are assigned to maximise debt recovery. In addition more than half of arrears are collected directly from local authorities reducing the Association's exposure to individual tenant's credit risk.
- Loans made to customers to purchase Association developed houses are secured by a charge against the relevant property.

Liquidity risk and refinancing exposure

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Interest rate risk is considered to be a key component of both market and liquidity risk.

The Association policy is to minimise liquidity and refinancing risk, with the aim to hold facilities which cover the first 12 months of its 36 month cash requirement projections. The Association is in compliance with all of its financial covenants contained within its loan documents and loan stocks trust deeds. The Association defines its refinancing risk as loans which do not include some form of amortisation or sinking fund.

The Association utilises short-term revolving bank debt as a consequence of its sales programme. Currently 45.9% of debt matures within the next 5 years, of which 8.5% of debt matures during the next financial year.

Hedging

The Association hedges its currency risk by taking out fixed/fixed cross currency interest swaps to fix the GBP value of both interest and principal repayable under the foreign currency denominated debt. As at 31st March 2022 the Association held cross currency interest rate swaps with an adverse mark to market value of £35.2m (2021: £36.6m favourable) and £nil interest rate swaps (2021: £6.7m adverse). The currency swaps are held at fair value as disclosed in note 20.

Liquidity Risk

The interest rate risk analysis below is considered to be a key component of the Association's liquidity risk.

25. FINANCIAL INSTRUMENTS (Continued)

Ageing Profile and Interest Rate Risk of Financial Instruments

For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position and the periods in which they reprice, if earlier than the maturity date. The tables take into account interest-bearing assets and liabilities only.

The ageing profiles below include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

Ageing profile and Interest Rate Risk of Financial Assets as at 31 March 2022

	Effective interest rate	Total carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	**4.04%**	**152.5**	**37.4**	**33.9**	**11.8**	**-**	**60.9**	**8.4**
Floating rate	**2.73%**	**99.7**	**-**	**34.4**	**59.0**	**-**	**-**	**6.4**
Amounts due from related undertakings	**7.59%**	**11.8**	**-**	**-**	**-**	**-**	**-**	**11.8**
		263.9	**37.4**	**68.2**	**70.8**	**-**	**60.9**	**26.6**
Mortgages and loans		**1.3**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.6**
Derivative financial instruments held to manage the interest rate profile and currency risk		**15.6**	**3.1**	**0.3**	**1.5**	**5.8**	**4.4**	**0.5**
		280.8	**40.7**	**68.6**	**72.4**	**5.9**	**65.4**	**27.7**

All financial assets carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2021 were, as follows:

	Effective interest rate	Total carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	3.94%	139.3	-	41.0	28.3	11.7	-	58.3
Floating rate	2.73%	180.5	51.3	87.9	34.9	-	-	6.4
Amounts due from related undertakings	7.59%	20.0	1.5	-	2.0	-	-	16.5
		339.8	52.8	128.9	65.2	11.7	-	81.2
Mortgages and loans		1.4	0.1	0.1	0.1	0.1	0.1	0.9
Derivative financial instruments held to manage the interest rate profile and currency risk		5.4	0.9	1.0	(0.4)	1.3	1.6	1.0
		346.6	53.8	130.0	64.9	13.1	1.7	83.1

25. FINANCIAL INSTRUMENTS (Continued)

Ageing Profile and Interest Rate Risk of Financial Liabilities as at 31 March 2022

	Effective interest rate	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Stocks and bonds:								
Fixed rate	**5.20%**	**966.1**	**38.2**	**34.5**	**260.6**	**26.7**	**26.7**	**579.4**
Discount on bond issue		**(29.4)**	**(4.8)**	**(5.3)**	**(4.5)**	**(3.8)**	**(3.8)**	**(7.1)**
		936.7	**33.3**	**29.1**	**256.1**	**22.9**	**22.9**	**572.3**
Housing and other loans:								
Fixed rate	**3.34%**	**1,656.2**	**179.8**	**105.3**	**78.2**	**135.6**	**370.7**	**786.6**
Floating rate	**2.75%**	**142.6**	**58.8**	**23.1**	**60.8**	**-**	**-**	**-**
Index linked	**4.39%**	**51.6**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**50.1**
		2,787.1	**272.2**	**157.8**	**395.4**	**158.8**	**393.9**	**1,409.0**
Finance leases	**6.00%**	**474.8**	**12.5**	**12.5**	**12.5**	**12.5**	**12.5**	**412.4**
Derivative financial instruments held to manage interest rate risk		**50.8**	**4.2**	**-**	**-**	**-**	**-**	**46.6**
		3,312.7	**288.9**	**170.3**	**407.9**	**171.3**	**406.4**	**1,867.9**

All financial liabilities carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2020 were, as follows:

	Effective interest rate	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Stocks and bonds:								
Fixed rate	5.20%	1,004.2	38.2	38.2	34.5	260.6	26.7	606.0
Discount on bond issue		(34.0)	-	-	-	-	-	(34.0)
		970.2	38.2	38.2	34.5	260.6	26.7	572.0
Housing and other loans:								
Fixed rate	2.98%	1,515.0	58.8	225.7	93.2	171.0	134.1	832.2
Floating rate	3.03%	214.5	6.1	87.3	34.7	86.4	-	-
Index linked	3.62%	98.1	50.6	0.3	0.3	0.3	0.3	46.3
		2,797.8	153.7	351.5	162.7	518.3	161.1	1,450.5
Finance leases	6.00%	462.4	11.9	11.9	11.9	11.9	11.9	402.9
Derivative financial instruments held to manage interest rate risk		48.8	3.6	5.9	2.8	2.8	2.7	31.0
		3,309.0	169.2	369.3	177.4	533.0	175.7	1,884.4

Trade and other payables are not included in the above tables as they are non-interest bearing and are not subject to interest rate risk.

Borrowing facilities

	2022	2021
At 31 March Places for People Homes had undrawn committed borrowing facilities expiring as follows:	**£m**	£m
In one year or less, or on demand	**-**	285.6
In more than one year but not more than two years	**575.0**	162.6
In more than two years	**385.0**	425.0
	960.0	873.2

£37.5m of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2021: £62.5m).

25. FINANCIAL INSTRUMENTS (Continued)

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying values and fair values of all of the Association's financial instruments. None of the financial assets or liabilities have been reclassified during the year.

		2022		2021	
		Book value	**Fair value**	Book value	Fair value
	Note	**£m**	**£m**	£m	£m
Financial assets					
Fixed asset investments	13 & 14	**798.4**	**798.9**	892.7	894.1
Current asset investments	18	**0.2**	**0.2**	6.1	6.1
Cash at bank and in hand		**10.6**	**10.6**	2.6	2.6
Mortgages	16 & 17	**1.3**	**1.3**	1.4	1.4
Amounts owed from joint venture undertakings	17	**2.0**	**2.0**	0.3	0.3
Revaluation of foreign currency denominated debt	16 & 17	**13.3**	**13.3**	16.7	16.7
Derivative financial instruments held to manage interest rate risk	16 & 17	**15.5**	**15.6**	5.4	5.4
Financial assets falling due within one year	17	**100.8**	**100.8**	59.7	59.9
		942.0	**942.6**	984.8	986.5
Financial liabilities					
Debenture stocks and bonds	19 & 20	**722.8**	**817.2**	725.3	883.0
Discount on bond issue	19 & 20	**(29.3)**	**(29.3)**	-	(34.0)
Housing and bank loans	19 & 20	**228.5**	**228.5**	218.3	218.2
Prepaid rent	19	**4.9**	**4.9**	4.4	4.4
Amounts owed to related undertakings	19 & 20	**1,301.3**	**1,301.3**	1,270.1	1,263.3
Revaluation of foreign currency denominated debt	19 & 20	**-**	**-**	-	-
Derivative financial instruments held to manage interest rate risk	19 & 20	**50.8**	**50.8**	48.8	48.8
Other financial liabilities	19 & 20	**197.6**	**197.6**	194.4	194.4
Financial liabilities falling due within one year	19	**105.3**	**105.3**	78.5	78.5
		2,581.9	**2,676.1**	2,539.8	2,656.6

Of the financial assets above £15.5m (2021: £5.4m) are derivative financial instruments and £13.2m (2021: £16.7m) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

Of the financial liabilities above £50.8m (2021: £48.8m) are derivative financial instruments and £nil (2021: £nil) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

25. FINANCIAL INSTRUMENTS (Continued)

Investments in debt and equity securities

The fair value of held-to-maturity investments is determined by reference to their quoted bid price at the statement of financial position date. The fair value of held-to-maturity investments after initial recognition is determined for disclosure purposes only.

Financial assets falling due within one year, long term debtors and mortgages

The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Financial liabilities

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Cash at bank and in hand and bank balances

The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the statement of financial position date.

Derivative financial instruments

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair value hierarchy

The measurement of fair value for financial instruments has been done using a level 2 valuation technique. The definition of this technique per the standard is a valuation using inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

26. PENSION OBLIGATIONS

The pension costs for Places for People Homes relate to three schemes of which employees and former employees are members. Details of each scheme are set out below.

The Places for People Group Stakeholder Scheme

Employees joining the Association from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £3.0m (2021: £4.0m) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

The Places for People Group Retirement Benefit Scheme (GRBS)

The Group operates a defined benefit pension arrangement called the Places for People Group Retirement Benefit Scheme (GRBS).

This scheme is operated by the Group and is an independently administered defined benefit scheme based on final pensionable salary. The scheme was closed to new members as at 1 September 2004 and was closed to future accrual in October 2010. The most recent formal actuarial valuation was completed as at 31 March 2021 and has been updated by the independent actuary to take account of the requirements of FRS 102. As part of the actuarial valuation as at 31 March 2021, the Group agreed a schedule of contributions which included the Group paying annual contributions of £6.6m between 1 April 2021 and 31 March 2026. The Group expects to contribute £6.6m to the scheme during the year to 31 March 2023.

The Group is working with its advisers to resolve a number of issues that have been identified with the Scheme Rules in the Group's Retirement Benefit Scheme. This may result in increased liabilities in respect of some benefits. At this stage the value of any additional liabilities cannot be quantified. The Trust Deed provides the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Company and Trustee agree on deficit contributions to meet this deficit over a period.

The mortality assumption used at 31 March 2022 is 115% S3NA CMI_2021 extended projections with a long-term rate of improvement of 1.0% pa, w2021 parameter of 10%, and all other parameters set at their default values. The mortality assumption used at 31 March 2021 was 105% S2PA CMI_2020 core projections with a long-term rate of improvement of 1.0% pa. Based on these assumptions, a male currently aged 60 years old has a life expectancy of 25.4 years (2021: 25.5 years), a female currently aged 60 years old has a life expectancy of 28.2 years (2021: 27.8 years), a male currently aged 40 years old will expect to have a life expectancy of 26.5 years (2021: 26.7 years) when they reach age 60 and a female currently aged 40 years old will expect to have a life expectancy of 29.4 years (2021: 29.0 years) when they reach age 60.

The valuation resulted in a deficit of £31.7m at 31 March 2021, comprising Technical Provisions of £281.1m and Scheme assets of £249.4m. In order to fund the deficit, the Company and Trustees have agreed a Recovery Plan which comprises deficit reduction contributions of £416,667 per month until 31 March 2022, a £1.6m one-off lump sum payment by 31 March 2022 and £550k per month from 1 April 2022 to 31 March 2026, in addition to contributions on benefit augmentations, administration costs and other Scheme expenses.

Over the year to 31 March 2022 the Trustee of the Scheme has undertaken a review of the option factors available to members and updated them to reflect latest market conditions as well as for consistency with the funding basis agreed for the 31 March 2021 valuation. This review resulted in an update to all member option factors, in particular a c20% increase to commutation factors and a c3.5% pa increase to early retirement factors. Updating our liability calculations to reflect these updated member option factors has resulted in a c4% increase to the FRS102 liabilities as at 31 March 2022. We assume that non-pensioners take the maximum tax-free cash at retirement, which is the same as assumed as at 31 March 2021.

Under IFRIC 14, the Association has recognised a pension surplus as it has the unconditional right to a refund of that surplus. The Association has such a right due to the assumption of the gradual settlement of the Scheme over time until the last Member has left the scheme.

Social Housing Pension Scheme

Places for People Homes Limited 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.

26. PENSION OBLIGATIONS (Continued)

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 withdrawal from the 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 (2020: 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:

	2022		2021	
	SHPS	**GRBS**	SHPS	GRBS
Discount rate	**2.80%**	**2.80%**	2.10%	2.10%
Price inflation (RPI)	**3.60%**	**3.80%**	3.30%	3.30%
Price inflation (CPI)	**2.96%**	-	2.60%	-
Salary growth	**4.26%**	-	3.84%	-
Rate of increase in pensions in payment LP15%	-	**3.60%**	-	3.20%
Rate of increase in pensions in payment LP12.5%	-	**2.30%**	-	2.20%

Amounts recognised in the Statement of Financial Position	**SHPS**	**GRBS**	**Total**
Value at 31 March 2022	**£m**	**£m**	**£m**
Fair value of plan assets	**10.1**	**247.3**	**257.4**
Present value of defined benefit obligation	**(11.5)**	**(236.7)**	**(248.2)**
Net liability recognised in the statement of financial position	**(1.4)**	**10.6**	**9.2**
	SHPS	GRBS	Total
Value at 31 March 2021	£m	£m	£m
Fair value of plan assets	10.5	249.2	259.7
Present value of defined benefit obligation	(12.0)	(251.0)	(263.0)
Net asset/(liability) recognised in the statement of financial position	(1.5)	(1.8)	(3.3)

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

	2022		2021	
	SHPS	**GRBS**	SHPS	GRBS
Diversified growth funds	**13.3%**	**20.0%**	14.5%	20.0%
Equities	**19.5%**	**19.0%**	19.9%	17.0%
Liability driven investments	**38.3%**	**25.0%**	36.4%	26.0%
Absolute return bonds	**4.9%**	**-**	8.5%	**-**
Corporate bonds	**6.7%**	**29.0%**	5.9%	30.0%
Cash	**-**	**7.0%**	-	7.0%
Other fixed interest	**7.2%**	**-**	6.0%	-
Insurance linked securities	**2.3%**	**-**	2.4%	-
Direct lending	**2.3%**	**-**	2.4%	-
Property	**5.3%**	**-**	4.0%	-
	100%	**100%**	100%	100%

26. PENSION OBLIGATIONS (Continued)

Analysis of amounts recognised in the Statement of Comprehensive Income

	SHPS	GRBS	Total
Year ending 31 March 2022	**£m**	**£m**	**£m**
Expected return on plan assets	**0.2**	**5.2**	**5.4**
Interest on scheme liabilities	**(0.2)**	**(5.2)**	**(5.4)**
	-	**-**	**-**

	SHPS	GRBS	Total
Year ending 31 March 2021	£m	£m	£m
Expected return on plan assets	0.2	6.0	6.2
Interest on scheme liabilities	(0.3)	(5.3)	(5.6)
Amounts charged to other finance costs	(0.1)	0.7	0.6

Amounts recognised in Other Comprehensive Income	**SHPS**	**GRBS**	**Total**
Year ending 31 March 2022	**£m**	**£m**	**£m**
Actuarial loss in pension scheme	**(0.3)**	**5.8**	**5.6**

	SHPS	GRBS	Total
Year ending 31 March 2021	£m	£m	£m
Actuarial gain in pension scheme	(1.0)	(33.0)	(34.0)

Movement in fair value of plan assets	**SHPS**	**GRBS**	**Total**
	£m	**£m**	**£m**
As at 1 April 2021	**10.5**	**249.2**	**259.7**
Interest on plan assets	**0.2**	**5.2**	**5.4**
Company contributions	**0.3**	**6.6**	**6.9**
Benefits paid	**(0.3)**	**(7.0)**	**(7.3)**
Return on plan assets less interest	**(0.7)**	**(6.7)**	**(7.4)**
As at 31 March 2022	**10.1**	**247.3**	**257.4**

Movement in present value of defined benefit obligation	**SHPS**	**GRBS**	**Total**
	£m	**£m**	**£m**
As at 1 April 2021	**12.0**	**251.0**	**263.0**
Interest costs	**0.2**	**5.2**	**5.4**
Benefits paid	**(0.3)**	**(7.0)**	**(7.3)**
Losses/(gains) from changes to demographic assumptions	**(0.2)**	**7.9**	**7.7**
Gains from changes to financial assumptions	**(0.8)**	**(23.7)**	**(24.5)**
Loss due to scheme experience	**0.6**	**3.2**	**3.8**
As at 31 March 2022	**11.5**	**236.7**	**248.2**

27. 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 £1,477.5m (2021: £1,333.4m). The total interest accrued at 31 March 2022 relating to this debt was £14.8m (2021: £13.5m).

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.

28. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 25.

Places for People Homes Limited is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the parent company publishes consolidated group accounts, the company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS 102 section 33.1A.

No tenants served on the Board of Places for People Homes Limited during the year.

The Association had the following transactions during the year with joint ventures, associates and other external investments.

	Services provided	Services received	Amounts outstanding at 31 March 2022	Interest received	Dividends received
	£000's	£000's	£000's	£000's	£000's
Alumno Student Management Limited	-	199	-	-	-
Boxed Energy Limited	1,185	117	-	-	-
Brooklands LLP	17,124	12,193	616	3,133	-
Countryside Places for People (Lower Hearne) LLP	-	-	-	76	-
East Wick & Sweetwater Projects (Holdings) Limited	1,171	-	172	-	-
Global Habitat Housing SL	-	66	-	-	-
Ickneild Port Loop LLP	-	-	-	24	-
National Places LLP	18	0	9	-	-
PFP US JV LLP	-	-	-	966	-
PFP US (IPL)	54	-	-	-	-
Picture Living	-	-	-	-	820
South Ridge	1,924	-	-	-	-

29. HOUSING STOCK

The Association owns or manages 53,332 housing properties, a breakdown of these housing properties is shown below:

	2021	Units developed or newly built units acquired	Units sold/ demolished	Transfers (to)/from other RPs	Other movements	**2022**
	No.	No.	No.	No.	No.	**No.**
Social housing owned						
- General Needs Housing	31,164	2	(60)	-	-	**31,106**
- Affordable Housing	1,819	215	-	15	7	**2,056**
- Supported Housing	433	-	(10)	-	1	**424**
- Housing for Older people	2,324	-	-	-	(13)	**2,311**
- Low cost home ownership accommodation	2,803	83	(92)	-	-	**2,794**
Total social housing owned	38,543	**300**	**(162)**	**15**	**(5)**	**38,691**
Social housing managed						
- General Needs Housing	32,783	218	(87)	-	2	**32,916**
- Affordable Housing	3,783	2,319	-	-	7	**6,109**
- Supported Housing	-	-	-	-	2	**2**
- Housing for Older people	1,906	-	-	-	(13)	**1,893**
- Low cost home ownership accommodation	481	6	(26)	-	-	**461**
Total social housing managed	38,953	**2,543**	**(113)**	**-**	**(2)**	**41,381**

	2022	2021
	No.	No.
Total social housing units managed but not owned	**7,680**	5,388
Total social housing units owned but not managed	**4,990**	4,978

	2022	2021
	No.	No.
Non-social housing managed		
- Market rent	**622**	644
- Leased housing - freehold only	**1,424**	1,418
- Staff	-	0
Total non-social housing managed	**2,046**	2,062
Total social housing managed	**41,381**	38,953
Total housing managed	**43,427**	41,015
Total non-social housing owned but managed by another body	**9,905**	9,880
Total housing owned or managed	**53,332**	50,895
Garages, commercial premises and other non-residential units managed or serviced	**1,289**	1,271
Total residential and non-residential units managed or serviced	**54,621**	52,166