



Annual Report and Financial Statements

**Wythenshawe Community Housing Group Limited
Year Ended 31 March 2024**

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Contents

Section	Page
Group Highlights – Summary Financial Performance	3
Board Members, Executive Directors, Advisors and Bankers	4-5
Report of the Board	6-16
Strategic Report	17-50
Independent Auditor’s Report to the members of Wythenshawe Community Housing Group Limited	51-53
Consolidated Statement of Comprehensive Income	54
Statement of Comprehensive Income – Association	55
Consolidated Statement of Changes in Reserves	56
Statement of Changes in Reserves – Association	57
Consolidated Statement of Financial Position	58
Statement of Financial Position - Association	59
Consolidated Statement of Cash Flows	60
Notes to the Financial Statements	61-96

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Group Highlights – Summary Financial Performance

For the year ended 31 March 2024

Statement of Comprehensive Income

	2024	2023
	£000	£000
Total turnover	80,330	70,012
Income from social housing lettings	71,950	66,974
Operating surplus	16,679	15,964
Surplus/(deficit) for the year transferred to reserves	21,964	30,540

Statement of Financial Position

	£000	£000
Intangible assets	211	138
Tangible assets	423,359	387,304
Fixed assets	423,563	387,442
Net current assets/(liabilities)	8,647	29,068
Total assets less current liabilities	432,210	416,510
Loans due >1 year	144,971	139,519
Pensions liability	-	-
Other provisions	-	3,945
Reserves: revenue	221,270	203,297
Reserves: revaluation	65,968	69,749

Accommodation Figures

Total General Needs housing properties owned at the year end
(Number of dwellings):

General needs housing - social rent	12,367	12,389
- affordable rent	839	751
Supported housing - social rent	85	85
Supported housing - affordable rent	100	100
Rent To Buy	38	38
Market rent	78	62
Market rent - Step Down	5	5
Shared ownership	301	264
Completed properties for outright sale	-	-
	13,813	13,694

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Board Members, Executive Directors, Advisors and Bankers

Board

Chair and Board Members:

Nick Crofts – Chair
Anthony Bell
Michelle Gregg
Tahir Idris
David Nuttall
Sarah Russell- resigned – 25 July 2023
Nigel Sedman – resigned – 25 March 2024
Sam Wilson
Leanne Todd
Elaine Mills – appointed 12 May 2023
Michael O'Doherty – appointed 12 May 2023
Angela Moran – appointed 12 May 2023
Alice Hemsley-Myers – appointed 25 March 2024
Darren Jones – appointed – 26 March 2024

Executive Officers

Group Chief Executive Nick Horne
Executive Director of Finance Simon Morris
Executive Director of Assets Paul Butterworth
Executive Director of Development Andrea Lowman
Executive Director of Customers and Communities Paul Seymour
Executive Director of Transformation & Resources Shahida Latif-Haider

Secretary

Simon Morris

Registered Office

Wythenshawe House
8 Poundswick Lane
Manchester
M22 9TA

Registration Numbers

Cooperative & Community Benefit Society
Registered No. 8530
Regulator of Social Housing No. L4219

External Auditors

Crowe UK LLP
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Board Members, Executive Directors, Advisors and Bankers (*continued*)

Internal Auditors

RSM UK Risk Assurance Services LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Solicitors

Devonshires Solicitors
30 Finsbury Circus
London
EC2M 7DT

Bankers

National Westminster Bank PLC
1 Hardman Boulevard
1st Floor
Manchester
M3 3AQ

Funders

National Westminster Bank Plc
1 Hardman Boulevard
1st Floor
Manchester
M3 3AQ

M&G Investments
Laurence Pountney Hill
London
EC4R 0HH

Aviva Life & Pensions UK Limited
St. Helens
1 Undershaft
London
EC3P 3DQ

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Report of the Board

The Board is pleased to present its report and the audited financial statements of Wythenshawe Community Housing Group Limited (“WCHG”) and its subsidiaries (together “the Group”) for the year ended 31 March 2024.

Principal activities

Wythenshawe Community Housing Group is a not-for-profit provider of social housing and is registered with the Regulator of Social Housing (“RSH”) as a social landlord. WCHG is a charitable community benefit society registered under the Co-operative and Community Benefit Societies Act 2014.

The Group’s principal activities are the development and management of affordable housing.

Group Structure and active companies as at 31 March 2024

Wythenshawe Community Housing Group Limited is the parent association of the Group with Garden City Trading Limited (a non-charitable property company) and Garden City Design and Build Limited (a development services company) being the subsidiaries of the parent association.

The financial statements of the Group include the results of Garden City Trading Limited and Garden City Design and Build Limited for both years.

Business Review

Details of the Group’s performance for the period and future plans are set out in the Strategic Report that follows the Report of the Board.

Future developments

Our Corporate Plan sets out the strategic priorities and main objectives to be delivered in the period to March 2026. The Plan builds on the four strategic themes of our previous Corporate Plan (More Homes, Living Well, Great Places, Smarter Business) and adds two cross-cutting themes – Value for Money and Carbon Reduction.

The Plan’s title, ‘Fitter, Flatter, Faster’, reflects the intention to focus our resources on doing the things that matter most to customers so that we deliver services more efficiently (fitter); reduce waste work in the systems and processes we work with and empower colleagues to take decisions closer to the customer (flatter); and implement new systems and ways of working that more quickly delivers to customers the services that matter most to them (faster).

Delivering the objectives of this plan will ensure our longer-term future is founded on a balance of financial resilience and service delivery capability. Plan objectives are supported by detailed actions, developed using the significant evidence base we have gained about the short, medium, and long-term needs and aspirations of our customers, our communities and Wythenshawe as a whole.

The Plan is the first phase of a three-phase period of organisational change and transformation. 2023-26, is our ‘Brilliant Basics’ period, where we will lay the foundation for the next two phases; ‘Stretch Shot’ (2026-29) and ‘Moon Shot’ (2029-32).

The Group will continue its challenging new build development strategy to deliver a pipeline of c.200 new homes per annum over the next five-year period. During 2023/24, the Group successfully completed the construction of 141 homes. At year end, the Group had nine development schemes on site - this equates to 262 homes in the pipeline with 226 currently planned to be delivered in 2024/25. A further five schemes have been approved by Board totalling another 234 homes.

Where possible, new developments will be focused in the Group’s key geographical areas, meeting the needs, demands and aspirations of both current and future residents across both the affordable and

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

private markets. The Group remains confident the strategy can be delivered. The Development Committee closely review all proposals and monitors all development activity across the Group.

The Board approved Treasury Strategy recommended that the Group seeks additional funding in order to deliver its challenging development and other targets. A refinancing project is underway, seeking up to £150m of additional funding and is due to be completed during 2024/25.

However, WCHG (and the wider sector) is in a rapidly changing, increasingly challenging environment on a number of fronts which will continue to bring pressure on future financial performance. These challenges have been to the fore during 2024/25 and will continue to be a focus for the remaining period of the Corporate Plan

The Board and Executive Officers

The Board comprises twelve Non-Executive members and is responsible for managing the affairs of the Group. They collectively have professional, commercial and local experience. The Board meets formally six times during the year to deal with the Group's business, including performance, business planning and to discuss and formulate strategy.

The Board is responsible for the Group's strategy and policy framework. It delegates the day-to-day management and implementation of that framework to the Group Chief Executive and other Executive Officers.

The Executive team comprises the Group Chief Executive, and five other Executive Directors. The Executive team meet on a regular basis and attend Board and Committee meetings.

The Executive Officers hold no interest in the Group's shares and act within the authority delegated by the Board. They are Directors as defined by the Accounting Direction 2022 so far as disclosure of interests and emoluments are concerned.

The Group holds insurance to cover the liabilities of Board members and Executive Officers in relation to the Group's activities.

Details of the present Board members and the Executive Officers of the Group, and those who served during the year are detailed on page 4.

Committees

The Audit & Risk Committee, Remuneration & Governance Committee and Development Committee all meet at least four times per year. The Customer Experience Committee meets six times a year.

The Remuneration & Governance Committee considers all matters of probity for Board members, employees or close relatives. It also reviews the skills and effectiveness of all the Board Members, and oversees Board recruitment. The Committee oversees compliance with the Constitution, policies, the principles of good governance, regulatory or statutory requirements, and the Human Resources functions. The Committee recommends to the Board the Group's remuneration policy for its Executive Officers, as well as establishing the framework within which staff salaries are set.

The Audit & Risk Committee has the responsibility of overseeing the Group's internal and external audit functions, leading on matters of probity and risk, health & safety and information governance and security.

The Development Committee oversees and reviews the Development activity of the Group and monitors achievement of the objectives of the Development Strategy.

The Customer Experience Committee's membership comprises Board Members, tenants and residents of Wythenshawe. The Committee's role is to oversee customer services, monitor performance and ensure effective customer engagement and involvement.

The WCHG Board, Subsidiary Boards and Committees obtain external specialist advice as required.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Colleagues

Our People

There are approximately 500 colleagues working at WCHG, a number that has remained fairly stable over the past 12 months. We are proud to report that we have numerous engaged groups with strong representation and collaboration from all areas of the business. This structure fosters a culture of inclusivity and shared responsibility.

Colleague Engagement

In October 2023, we conducted a comprehensive colleague survey, achieving a 77% response rate and a Net Promoter Score (NPS) of +36. This compares favourably with industry benchmarks, where a typical NPS for employee engagement ranges from 10 to 30. The high response rate and positive score reflect the commitment and satisfaction of our workforce. The survey results have provided valuable insights, helping us identify key themes that will guide our decision making and actions in the upcoming financial year.

Health and Wellbeing

Focusing on health and wellbeing remains a priority, as it builds the resilience and capability of our workforce. In September 2023, we underwent an Investors in People (IIP) review for 'We Invest in Wellbeing'. The assessment highlighted that wellbeing is deeply embedded within our organisation, supported by initiatives such as self-care promotion, activities led by Mental Health First Aiders, Be Well Champions alongside a comprehensive benefits package. Our WCHG Values continue to support and promote a healthy workplace and culture of wellbeing.

Salary Benchmarking and Compensation

In 2023, we conducted a thorough salary benchmarking exercise, which we commit to repeating every three years. This process, facilitated by an external specialist consultant, ensured our salaries remain competitive within the market. The findings indicated that a handful of roles were slightly adrift of market rates, and we have taken action to address this. We are proud to be accredited as a Real Living Wage employer and ensure that our salary structure supports us to attract and retain talent.

Inclusivity and Accreditation

We have maintained our accreditation as a Level 2 supporter of the Disability Confident scheme and continue to enhance our benefits to make WCHG an attractive place to work. Recent updates include an enhanced pension offer with a Salary Exchange option and increased subsidies for healthy living and professional memberships.

Cultural Development

Early in 2023, we launched the Customer First programme to align our operations with our core values and enhance customer service. This initiative provides tools and frameworks for delivering excellent service, both internally and externally. Throughout 2023/24, we have been embedding this learning and will continue to reinforce and celebrate examples of great service.

Professional Standards and Development

We have been proactive in preparing for the potential new Housing Professional Standards, with several colleagues starting CIH Level 4 and Level 5 qualifications. This approach also underscores our commitment to the growth and development of our colleagues. This is complemented by our baseline

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

requirements for completion of job essential training to ensure minimum competency; along with bespoke training for specific needs, such as Damp and Mould management.

Conclusion

We remain dedicated to promoting WCHG as an employer of choice, focusing on diversity and inclusion, and investing in our colleagues. In the coming year, we aim to build on our transformation ambitions and strengthen our employment proposition to benefit all WCHG colleagues, ensuring we remain a supportive, dynamic and inclusive workplace

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. WCHG has an internal Health and Safety team incorporating suitably qualified colleagues that oversee health and safety management across all functions, with additional external expertise where required. This includes comprehensive health and safety policies, procedures, risk assessments, training and an advisory service.

During 2023/24, a new Health and Safety Committee was set up. Whilst not a part of the formal WCHG governance structure, the Committee, which consists of senior officers from across the organisation, has the following purpose:

- To support the Board to generate a positive health & safety and safeguarding culture across WCHG.
- To promote the health, safety and welfare of employees, customers and all persons who come into contact with, or who will be affected by the activities of WCHG.
- To ensure WCHG complies, as a minimum, with health and safety and safeguarding statutory obligations, and industry best practice
- To oversee H&S and safeguarding arrangements, review performance, thus reducing risk and driving continuous improvement across the business.

Also, during the year, the Health and Safety team implemented the ISO 45001 international standard for occupational health and safety management systems and received accreditation in January 2024 following a four day audit.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Resident Involvement

Why?

Understanding our customers' experience is essential to strengthening our ability to deliver high-quality homes and services. This in turn enables us to deliver our organisational purpose.

What?

We worked with residents and the diagram below shows the following opportunities for scrutiny and influence that were provided in 2023/2024:



Fuller details of these engagement opportunities are listed below:

- **Customer Experience Committee (CXC):** a committee of Board overseeing performance of customer-facing services as well as championing consumer regulation and amplifying customer voice at the Board. The Committee is made up of three Board members (including one tenant), five tenant members, a shared owner and a leaseholder.
- **Scrutiny Group:** a tenant-only body that scrutinises the performance of customer-facing services and conducts in-depth service reviews. Over the last 12 months the key focus area was an in-depth review of all Stage 2 complaints, focusing on the quality of the complaint responses, as well as compliance with policy. Damp and Mould Review, Living Well Fund review and the Business Transformation – Repairs and Maintenance Review
- **Leaseholder Forum/Leaseholder Advisory Group:** is responsible for the review of services to leasehold and shared ownership customers. A change in how we consult with Leaseholders and Shared Owners has changed for 2024 with events taking place 4 times per year across Wythenshawe, then twice per year there will be a Leasehold Advisory Group meeting to ensure that leaseholders and shared owners are able to scrutinise and influence service delivery.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- **High Rise Living Forum:** a resident group which supports and enhances the relationship between WCHG and residents living in our 10 high-rise buildings. Over the last 12 months the key focus areas included: building safety investments; improving communication channels; setting new service agreements for cleaning of communal areas; and improvement of communal area repairs. During the year, a new Building Safety booklet was developed for each block in partnership with this group and issued to all residents
- **Service Inspectors:** are tenant volunteers who regularly check whether we are meeting service standards across Wythenshawe. Over the last 12 months the key focus areas have been: the standard of empty homes when they are let; and cleaning and grounds maintenance standards.
- **Readers' Panel:** WCHG are currently working to implement a Readers Panel across Wythenshawe to ensure that all correspondence and documents we send to residents are helpful and easy to understand.
- **Task and Finish Groups:** Recruitment to WCHG Task and Finish groups is currently underway across the whole of Wythenshawe, following a review of how we engage with residents. The first task will be to support and input to redevelop the website for go live in 2025, we are currently recruiting tenants so let us know if you want to get involved. An opportunity to receive £50 gift voucher at the end of each project you are involved with.
- **Voluntary and Community Groups:** WCHG supported **51** volunteers across the various groups in Wythenshawe, Grand Day Out, Food Bank, Bideford Community Centre, Coffee Mornings, Tool Hire, Fun 4 Tots, Laugh 'n' Lunch and many more. Volunteers have gone through training to enable them to be supported in their volunteering roles and are able to claim out of pocket expenses.
- **Customer Engagement Events:** WCHG and other local groups host a number of events across Wythenshawe throughout the year, Wythenshawe Games, Chips 'n' Chat, estate walkabouts and much more, this is an opportunity for residents to come along and tell us their views and have their say and talk to us about being involved.

Who?

Our 89 actively involved customers gave up 7,863 hours of their time to scrutinise our performance, influence our policies, contribute to strategic priorities, agree service standards, inspect services and help deliver and improve services locally. WCHG supported resident volunteers to give their time to support community groups including older people's groups, coffee mornings, parent and toddler groups, arts and craft groups, a community tool hire and two community centres.

With 2,148 residents completing the Tenant Satisfaction Measure surveys we have been able to utilise this feedback to inform and assist with developing stronger resident involvement links with our residents.

We delivered 344 hours of training to our involved residents and volunteers.

What difference has this made?

- Tenants reviewed the outcomes of the 'Living Well Fund' which had invested £250,000 in support for customers during and post the cost of living crisis. Based on their findings, Group Board approved a further investment of £280,000 in 2024/25.
- Tenants reviewed the benefits of the first phase of the business transformation programme to see if it had delivered the desired benefits for customers. They found that benefits had been significant including a sustained increase in customer satisfaction
- Our environmental services team worked closely with residents following a tenant review of their services to increase customer feedback on their service delivery. This has included the recruitment of volunteer service inspectors who monitor communal cleaning and grounds maintenance delivery and feedback to the service manager on their findings.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- A new Damp & Mould Policy was introduced during the year, with two recommendations from residents added - explicitly stating our zero-tolerance approach to damp & mould and introducing additional call backs to check whether interventions have worked as planned.
- The High-Rise Living Forum worked to develop a Building Safety booklet for high rise and low-rise flats, further improving communication with residents
- Specific events were developed to support leaseholders to come in and speak face-to-face with colleagues across the organisation on issues they had been unable to resolve through our usual services.
- A group of residents has come together to work alongside our transformation team to develop a new self-serve portal.
- A workshop of 40 residents contributed to the development of the Resident Involvement Strategy, supported by a wider survey of involved and non-involved residents.
- WCHG used the Tenant Satisfaction Measures survey to inform our planning and target our Chips n Chat consultations for Summer 2024.

Specific changes recommended by our Scrutiny Group and accepted by our Customer Experience Committee for implementation have included:

Complaints

- Where complaints enter WCHG via other service areas they need to be directed to the Customer Feedback Team to be processed at the earliest opportunity
- Where apologies are made in all complaint responses they need to have an associated explanation to be meaningful
- When the resolution to a complaint at stage 1 depends on a claim for compensation and dissatisfaction with the amount offered at stage 1, this needs to be discussed with the relevant Senior Manager to prevent escalation unnecessarily

Repairs and Maintenance

- Ensure that a calling card is posted through the letter box if an external repair is completed when the customer is not at home
- Undertake a cost-benefit analysis to consider opportunities for Saturday appointments across more trade types
- Ensure that operatives attempt to call the customer before posting a 'no access' card
- Right first-time performance metric to be added to the Scrutiny Group Pack for ongoing monitoring
- Consider options for communication with customers who do not have a mobile phone
- Emergencies, consideration needed for completing emergencies quicker than the current 24 hours when considering risk to vulnerable tenant

Damp and Mould

- Management to keep data relating specifically to satisfaction with damp and mould services, how common customer vs colleague reports are and how often surveyors/ Works colleagues are denied access to properties.
- WCHG colleagues to make more of an effort to communicate and consult with customers regarding its approach to damp and mould through the website, social media and engagement/ pop-up events. These should be used to both educate customers on damp and mould/ WCHG's approach to it and gather their views and feedback.
- Management to reconsider its tone of communication with customers who do not provide access to their properties and potential mental health implications. New letters to be brought to Scrutiny Group once drafted.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Living Well Fund

- More rigorous checks on community groups that they were helping WCHG tenants and provided with a feedback mechanism to show this
- WCHG should try to bring in more external funding for community groups than provide all itself
- Work with local suppliers as well as national ones for direct provision
- Where possible identify suppliers that have unsold/surplus stock that could be bought at cost and delivered to tenants – e.g. curtains/flooring
- That the Living Well fund be more prominent on the WCHG website to help tenants who need help

Grass Cutting

- Management to develop a plan to ensure that standards across all sites are universal, including cleaning, grass cutting, weeding paths, products used
- Management to improve communication and data accessibility in relation to grass cutting and communal cleaning services
- Management to develop improved reporting mechanisms to drive performance improvements and transparency of service
- Neighbourhoods management to produce a policy for the use of shared communal spaces

The new Resident Involvement Strategy has been agreed and an action plan has been implemented by the Resident Involvement Team. Some of the changes agreed with residents and volunteers are:

- Get out into the community and have a stronger presence
- Complete at least one Task and Finish Group per year
- Deliver a series of Summer Roadshows across Wythenshawe
- Establish better ways of engaging
- Host an Annual Resident/Volunteer Celebration
- Increase Resident Involvement
- Digital Inclusion across Wythenshawe
- Improve Transparency and visibility
- Increased attendance at estate walkabouts
- Chips and Chat Events

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Statement of Internal Controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has processes in place to:

- Assess the principle and emerging risks facing the Group;
- Monitor the Group's system of internal control (which includes the ongoing process for identifying, evaluating and managing risk); and
- Review the effectiveness of that system annually.

The Board has reserved certain matters to itself, including determining the long-term business objectives of the Group and any material decisions. The Board annually review the formal scheme of delegation and financial regulations that set a framework for Board committees, the Chief Executive and Executive Team.

The Board has a number of mechanisms in place to support the Group's systems of internal control. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health & safety, data and asset protection and fraud detection and prevention. Financial control is exercised through the setting of detailed budgets each year which feed into the financial planning process, coupled with a reporting and monitoring system that is driven by key performance indicators.

There is an approved anti-fraud policy that covers the prevention, detection and reporting of fraud. Details of identified frauds are maintained in the fraud register, which is reviewed annually by the Audit & Risk Committee on behalf of the Board. There have been no reported cases of fraud during the year 2023/24 with a financial loss of £nil (2022/23 - £nil). The anti-bribery and corruption policy sets out guidelines for all staff to ensure the highest standards of conduct in business dealings. The Group's whistleblowing policy enables employees to raise issues on a confidential basis and know that they will be properly investigated

The Audit & Risk Committee meets four times a year and considers internal control and risk management at each meeting. The Committee meet with members of the Executive Team, and the internal auditors to review specific reporting and internal control matters, and to satisfy themselves that the internal control systems are operating effectively. All Board Members receive the minutes of Audit & Risk Committee meetings.

The internal audit function is outsourced and has direct access to the Audit & Risk Committee. The Internal Auditors attend all meetings of the Committee and all recommendations for improvement made by the Internal Auditors are followed up. The internal audit programme of work is aligned to the Group's strategic objectives and risk environment.

The work of the external auditors provides further independent assurance on the control environment as described in their audit report within these financial statements. The Group also receives a letter from the external auditors identifying any internal control weaknesses which is considered by the Audit & Risk Committee and the Board.

The Board have reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2024, and up to the date of signing these financial statements. It has not identified any weaknesses in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in these financial statements.

Statement of compliance with the Governance & Financial Viability Standard

The Board formally reviewed compliance with the Governance and Financial Viability Standard as part of its annual formal review against the RSH's Regulatory Framework in May 2024; no areas of non-compliance were identified for the year ended 31 March 2024.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Following an In-Depth Assessment (IDA) in 2023, the Regulator of Social Housing confirmed the Group's Regulatory Judgement for Governance & Viability as G1 V1 on 5 July 2023.

The Group complies with all relevant law.

Code of Governance

The National Housing Federation's (NHF) 2020 Code of Governance was formally adopted by the Group from 1 April 2021. Compliance with the adopted code is annually reviewed by the Board and was last reviewed in May 2024 for the year ended 31 March 2024.

In accordance with the requirements, the Group is pleased to report full compliance with the adopted code for the year ended 31 March 2024, and has identified no areas of non-compliance to report.

Going concern

The assessment of the significant risks faced by the Group is considered in various sections of this annual report. The results of this analysis, combined with satisfactory VFM metrics, good asset values and significant headroom in loan covenants, has led to the Board's judgement that WCHG has a financially robust long-term Business Plan, including potential mitigations which indicate sufficient resilience to respond to different stress testing scenarios. Overall this demonstrates WCHG's ability to remain financially viable.

The Board therefore has a reasonable expectation that the WCHG has adequate resources to continue in operational existence for the foreseeable future, being a period not less than twelve months after the date on which this annual report and financial statements are approved. For this reason, the Board continues to adopt the going concern basis in the financial statements. In reaching this view the Board has fully appraised the changing business environment facing WCHG, it has considered the financial projections set out in the long-term Business Plan, the results of stress tests and assessed the strategic risks faced and the means available to it to mitigate these risks.

Statement of the responsibilities of the Board for the annual report and financial statements

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs, and surplus or deficit, of the association and Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

Annual general meeting

The annual general meeting will be held on 30 September 2024.

Statement as to disclosure of information to auditors

The board members confirm that:

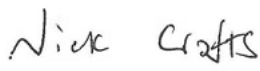
- so far as each board member is aware, there is no relevant audit information of which the Group's auditor is unaware;
- the board members have taken all steps they ought to have taken as board members to make themselves aware of any relevant audit information and to establish that the Group's auditor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

To the best of our knowledge:

- That the Group's financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Association and the undertakings included in the consolidation taken as a whole; and
- the Report of the Board and Strategic Report include a fair review of the development and performance of the business and the position of the Association and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

External auditors

This report was approved by the Board on 29 July 2024 and signed on its behalf by:



Nick Crofts
Chair of the Board
29 July 2024

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Strategic Report

Activities

WCHG is a not-for-profit registered provider of social housing. WCHG is a charitable community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing (“RSH”) as a social landlord.

The Group has two subsidiary companies, Garden City Design & Build Limited, a development company, and Garden City Trading Limited, a non-charitable property company. Neither subsidiary is regulated by the RSH.

The Group parent is charitable and operates primarily as a social landlord, providing affordable general needs housing, delivering high quality services to 13,813 homes in Wythenshawe. The Group’s head office is based in Wythenshawe and the vast majority of its properties are situated within five miles.

Objectives and strategy

“Fitter Flatter Faster” - our Corporate Plan 2023-26

A plan that enables long term financial resilience and service delivery capability

Our Corporate Plan sets out the strategic priorities and main objectives to be delivered in the period April 2023 to March 2026. The Plan builds on the four strategic themes of our 2020-2022 Corporate Plan (More Homes, Living Well, Great Places, Smarter Business) and adds two cross cutting themes – Value for Money and Carbon Reduction.

The Plan title reflects our intention to focus our resources on doing the things that matter most to customers so that we deliver services more efficiently (fitter); reduce waste work in the systems and processes we work with and empower colleagues to take decisions closer to the customer (flatter); and implement new systems and ways of working that more quickly delivers to customers the services that matter most to them (faster).

Delivering the objectives of this Plan will ensure our longer-term future is founded on a balance of financial resilience and service delivery capability. Plan objectives are supported by detailed actions, developed using the significant evidence base we’ve gained about the short, medium, and long-term needs and aspirations of our customers, our communities and Wythenshawe as a whole.

The Plan is the first phase of a three-phase period of organisational change and transformation. 2023-26, is our ‘Brilliant Basics’ period, where we will lay the foundation for the next two phases; ‘Stretch Shot’ (2026-29) and ‘Moon Shot’ (2029-32).

A Plan that recognises our role in supporting customers and communities

Wythenshawe, in the North West of England, is some 8 miles south from Manchester City Centre and covers an area of around 11 square miles. Some 41% of housing in Wythenshawe is owner occupied (national average 62.5%) and 42% is social rented (national average 17.1%) most of whom live in our homes. The area is home to c.65,300 residents of which c.26,600 live in our homes. We are the largest RP in Manchester with 13,813 homes, some 20% of Manchester’s social housing.

The Plan objectives build on the positives about Wythenshawe, including its green and spacious environment; strong community spirit and local partnerships; significant levels of inward investment; relatively affordable housing; and our presence and impact as an anchor organisation and place shaper.

However, Wythenshawe is also an area of multiple deprivation, a situation that has persisted for decades despite investment and interventions from many partners. This has a major influence on our strategic priorities, on the needs of our customers and partners, on their expectations of us and hence on the depth and breadth of services we deliver that go beyond core housing services.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

A plan driven by organisational purpose that reflects the voices of customers, communities and partners

The Board restated our Organisational Purpose in 2021 as “to provide good quality homes and services to our tenants and leaseholders and to play a leading role in creating safer, healthier communities”. This focus on homes, services and communities flows with a clear golden thread through to the Plan’s strategic themes and delivery objectives. The golden thread includes Board’s guiding principles, which support colleague decision making about what we do, and values, which support colleagues in how they behave in delivering services.



Our diverse and well-developed network of involved customers, volunteers and resident engagement means we’ve developed this Plan with a clear, and improving, understanding of the current and future needs and aspirations of local people and partners.

A plan supported by competitive advantage

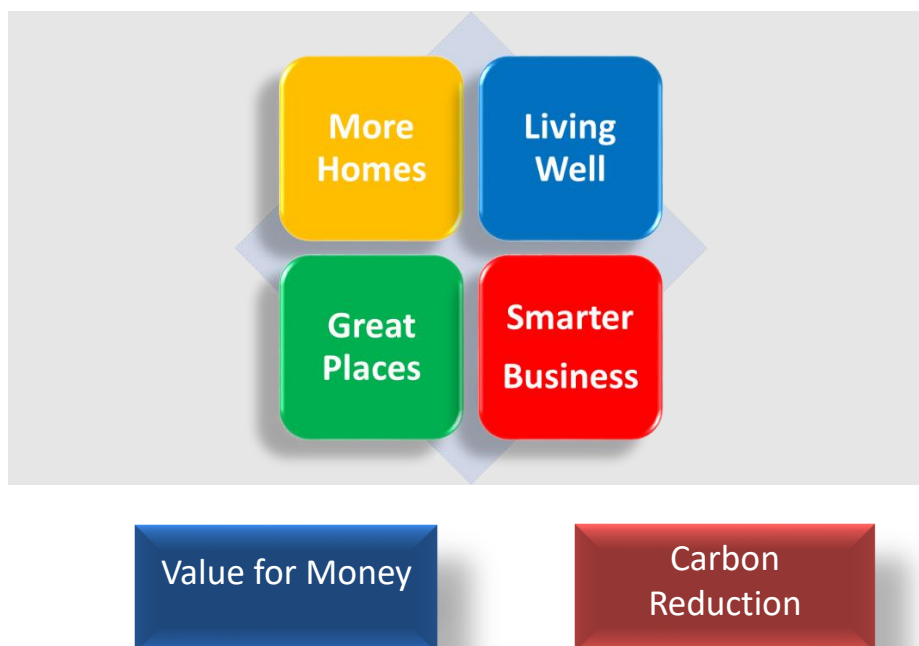
Our business model is underpinned by four significant competitive advantages, which collectively cannot be replicated by any other organisation. These enable us to focus our resources for the benefit of customers, communities, colleagues, partners with limited distraction from competitive interests (new development being the exception).

- A highly concentrated property portfolio which supports efficient management of service delivery
- The number of homes we own and manage which gives us unmatched scale and influence in the community and with partners
- A high level of community knowledge, connectivity and trust developed over many years, and supported by having 39% of our 503 colleagues (as at March 2024) living in the area, and 20% of colleagues who are also our customers
- A resilient financial structure and business plan that is strongly cash generative, with relatively low debt and healthy interest cover

A plan that addresses the big external and internal business, customer, community and sector challenges

Our plan objectives are grouped around six strategic themes, each of which has been framed to address one or more critical business, customer, community or sector challenges. More detail on all theme objectives, including metrics are given in the Plan.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



- *More Homes* – increasing the supply of new affordable homes across Wythenshawe and neighbouring areas – our objective is to develop 200 homes p.a. with a pipeline of 1,000 homes
- *Living Well* – delivering support to customers and communities that goes beyond core housing management services. This includes addressing anti-social behaviour and its causes and directly supporting community safety; supporting and empowering the community directly and indirectly through our LIFE model approach (Lead, Influence, Follow & Exit); and developing and implementing our Living and Ageing Well Strategy
- *Great Places* – responding to the challenges of higher building safety and other property standards; continuing to improve the knowledge of our assets to support value for money investment choices; and meeting the increasing demand from customers to maintain and improve their homes and invest in the Garden City environment of Wythenshawe
- *Smarter Business* - investing in our inclusive environment of people, skills, culture, technology, systems, processes and business infrastructure to meet increasing expectations from customers, communities, partners, colleagues and other stakeholders and retain our financial robustness
- *Value for Money* – building on our resilient financial position and making every pound we spend add social and / or financial value to support delivery of our Purpose. Our VfM strategy is focussed on delivering tangible cash benefits; optimising the impact of our social investment; and investing to deliver future benefits (invest to save)
- *Carbon Reduction* – our objective is to support delivery of Manchester City Council's 2038 net zero carbon objectives and national legislation and policy. We will ensure all our homes reach SAP Level C by 2026; we will build 10% of new build homes in this Plan period using Modern Methods of Construction; and across the whole business we will reduce carbon emissions by 57% by 2026

Progress to deliver against the Plan will be overseen by the Board and its Committees. Plan reviews will also consider whether changes in the external and internal environment necessitate changes to the scope, timing or nature of Plan objectives.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Our Transformation Programme

The Group continues to embed improvements into its service offer to customers and work experience for colleagues. This culture of continuous improvement is starting to become embedded as the Transformation Programme has moved into its implementation phase, this aligns to the outcomes of associated strategies including the People Strategy with a focus to improving the experience of colleagues and the ICT, Data and Digital Strategy that provides a roadmap to improving the technology delivered by customers and colleagues.

Our approach is co-ordinated by a Programme Management Office to ensure that the results are delivered effectively, and benefits are maximised.

The changes being implemented are part of the plan to refresh the operating model within WCHG.



Our new target operating model has been developed as Hub / Locality / Support and is reflected as:



By this we mean:

- **Hub** – this includes all of our customer contact, and inward and outward service activity.
- **Locality** – this covers all activity and support that needs to be delivered in the customer's home or the local community.
- **Support** – this includes the back-office support, programming and planning functions which enable the Hub and Locality functions.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Our Transformation programme is driven by several important factors:

- The world is rapidly changing in economic, technological, and social aspects. It is essential for WCHG to adapt swiftly and remain flexible to meet future challenges.
- By prioritising our customers' wants, needs and aspirations we can enhance our services and improve their overall customer experience.
- We leverage customer and business insights to guide our decision-making, ensuring we are on the right path.
- By utilising digital tools, data, and improved processes, we simplify and streamline customer interactions, reducing waste and minimising errors.
- We are improving resource management to focus more on what matters most to our customers.
- We are developing our team's skills and capabilities, making WCHG a great place to work and preparing us for future challenges.
- We are looking towards new technologies such as AI to fix defined problems and support customers.

Our longer-term vision for business transformation is over 10 years:



- the **Brilliant Basics** phase (2023 – 2026) is about improving our services, and 'doing the right things, and doing them right'. To do this, we need to strengthen our core building blocks of our operating model – culture, data, systems, and technology.
- the **Stretch Shot** (2026 – 2029) phase is about developing solutions that are in line with market leaders, to be able to innovate quickly with the changing environment.
- the **Moon Shot** (2029 – 2032) phase is our aspiration to be the best in the UK for our services.

Transformation Outcomes in 2023/24

Over the past 12 months, the Transformation Programme has continued to move forward delivering benefits to the business, enhancing the programme governance and setting up future projects that will be delivered in subsequent years.

Some highlights of the deliverables during 2023/24 include:

- The implementation of AccuServ to support booking repairs and keeping customers updated:
 - Customers are now provided with regular updates to the progress of their repair and reminders of their appointment. Satisfaction has increased 4% since it was implemented.
 - The Group benefit from a reduction in the number of no accesses as customer are more likely to cancel, rearrange or ensure that they are in to attend appointments.
 - Colleagues are able to provide a better service to customer by ensuring they arrive at the time the customer expects.
- The implementation of Pulse system for Customer Feedback:
 - Customers receive acknowledgements of their cases, and we are aiming to improve the speed in which complaints are resolved.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- Colleagues are able to see the full case in one place and as more services move onto Pulse, more information will be available in one place to help resolve complaints quicker.
- Implementation of Unified Communications solution (8*8):
 - Provide a future proof phone system for the organisation linked to Pulse implementation.
 - Ensures that Customer Hub can see the availability of all colleagues to take calls.
- Simplified Governance and Structure for Programme:
 - The Transformation Programme has simplified its governance by reducing the number of Programmes from 4 to 1 and supporting more managers to get involved in the decision-making process.
- Leadership Training Programme delivered:
 - A programme of Leadership Development has been finalised to improve the effectiveness of Leadership Team
- Office refurbishment:
 - Works to Greenwood Road and Wythenshawe House have been completed to provide a modern flexible workspace for colleagues to enjoy.

Forecast Transformation Outcomes in 2024/25.

During 2024/25 the Group will see more projects start to deliver real changes in the way that services can be provided to customers and streamlined in the way that colleagues deliver them. This is a key year in the Brilliant Basics period and sets the bedrock for the stretch shot and moon shot of Transformation.

Work that will be delivered during 2024/25 will include: -

Customer Hub – Pulse

- Transitioning All Customer Hub Contacts to Pulse:
 - Ensure comprehensive visibility of all customer contacts, enabling the Group to provide consistent support.
 - Streamline processes to enhance the quality of services offered to customers.
 - Gain better insights into call trends and service requests through improved data analysis.
 - Equip colleagues with better access to information, enabling them to assist with a wider range of services more quickly and effectively.

Self-Serve

- Enhancing Self-Service Options:
 - Expand self-service offerings to meet customer needs around the clock.
 - Establish a robust platform for future improvements in self-service capabilities.
 - Streamline processes for both customers and colleagues, enhancing efficiency within the business.

Locality – Moving onto Pulse

- Migrating Neighbourhood Teams to Pulse:
 - Support locality working by integrating Neighbourhood Teams into the Pulse system.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- Increase the ability to deliver services remotely, both on estates and in customers' homes.
- Automate processes and streamline time-consuming tasks to keep customers updated and provide colleagues with a clear view of their workload.

CX Feedback

- Centralising CX Feedback Collection:
 - Implement a framework for centralising the collection of customer experience survey results.
 - Enhance the insights generated from feedback data to benefit the Group.
 - Utilise advanced analytics to turn feedback into actionable insights for continuous improvement.

Financial Performance and Performance Indicators

Financial overview

The Group's Statement of Comprehensive Income and Statement of Financial Position are summarised in the Group Highlights (page 3) and the high-level features of the Group's financial position are set out below. More detail is included within the Value for Money section on page 39.

The financial statements report an increase in operating surplus to £16.7m (2023: £16.0m). There have been some key drivers to this movement, detailed below.

Turnover has increased by £10.3m to £80.3m. This is as a result of first tranche shared ownership sales increasing by £5.2m, along with a £5.0m increase in rental income and service charges from the annual increase.

Operating costs have increased to £60.2m (2023: £57.3m), showing an increase across most categories of spend as detailed in note 3. Within this, the largest increase was revenue major repairs at £1.7m.

Due to challenges in the mortgage market, right to buy and right to acquire surpluses were down to £1.9m (2023: £5.3m), the lowest surplus for some years, which offset the net increase in turnover over operating costs to produce the similar level of operating surplus overall.

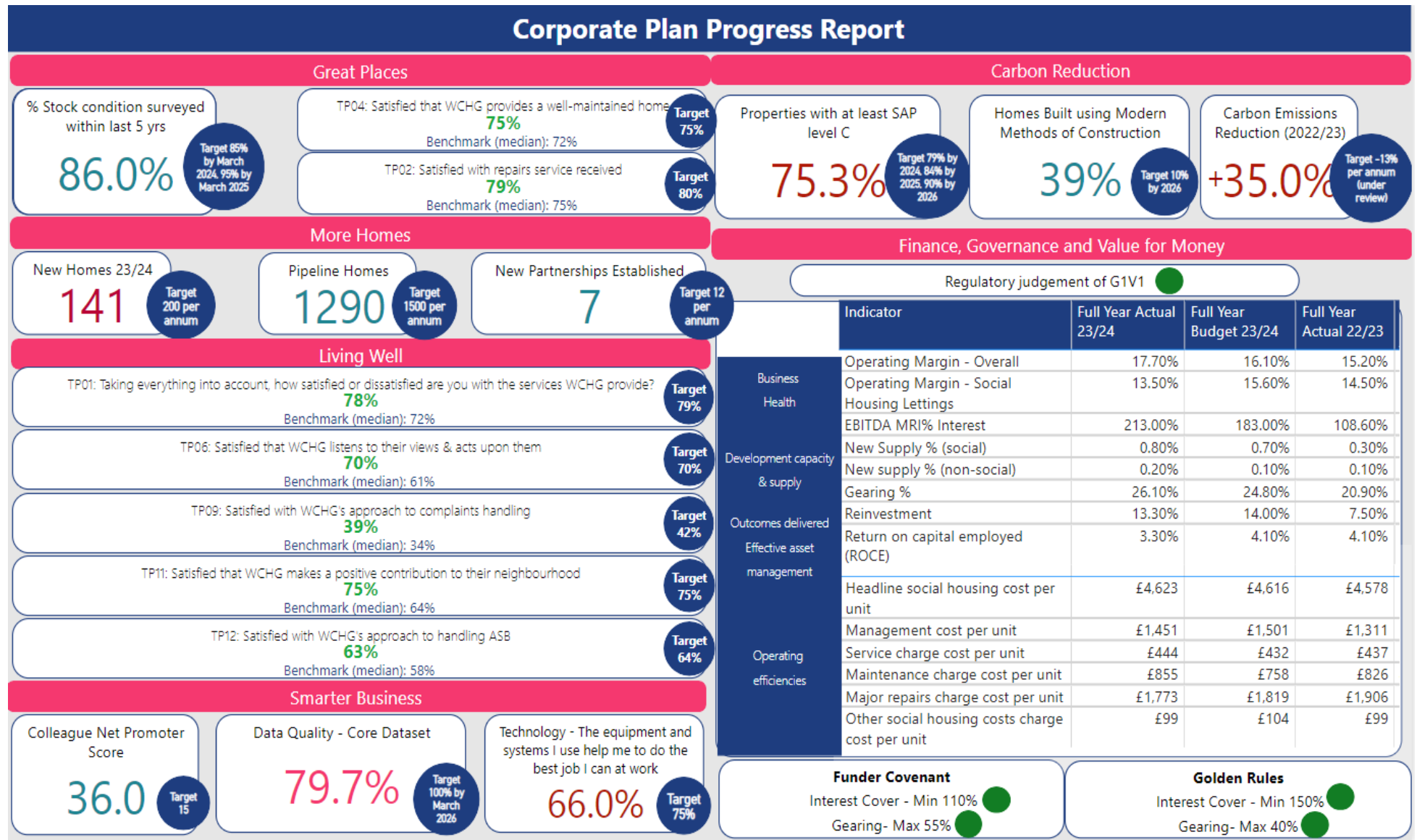
No additional debt was drawn down during the year. At the year end, cash balances were £9.3m, reduced from £35.1m in the prior year, due to the increased delivery of the development programme pipeline. Cash inflows and outflows for the period are shown in the cashflow statement on page 63.

Performance Indicators

The Board has set a series of performance indicators that effectively track the delivery of the objectives outlined in the Corporate Plan across its themes. Board also receives operational and topical performance data as part of the reports that they receive at each meeting.

Pages 24 to 36 provide an overview of the indicators that are tracked against targets during 2023/2024. These also include, for the first time, the Tenant Satisfaction Measures that are a requirements of the new Consumer Regulation (from 1 April 2024)

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



More Homes

New Homes 23/24

141

Target 200 per annum

Pipeline Homes

1290

Target 1500 per annum

New Partnerships Established

7

Target 12 per annum

Finance, Governance and Value for Money

Regulatory judgement of G1V1 ●

Indicator	Full Year Actual 23/24	Full Year Budget 23/24	Full Year Actual 22/23	
Business Health	Operating Margin - Overall	17.70%	16.10%	15.20%
	Operating Margin - Social Housing Lettings	13.50%	15.60%	14.50%
Development capacity & supply	EBITDA MRI% Interest	213.00%	183.00%	108.60%
	New Supply % (social)	0.80%	0.70%	0.30%
	New supply % (non-social)	0.20%	0.10%	0.10%
Outcomes delivered	Gearing %	26.10%	24.80%	20.90%
	Reinvestment	13.30%	14.00%	7.50%
	Return on capital employed	3.30%	4.10%	4.10%
	Effective asset management			
Operating efficiencies	Headline social housing cost per unit	£4,623	£4,616	£4,578
	Management cost per unit	£1,451	£1,501	£1,311
	Service charge cost per unit	£444	£432	£437
	Maintenance charge cost per unit	£855	£758	£826
	Major repairs charge cost per unit	£1,773	£1,819	£1,906
	Other social housing costs charge cost per unit	£99	£104	£99

Funder Covenant

Interest Cover - Min 110% ●

Gearing - Max 55% ●

Golden Rules

Interest Cover - Min 150% ●

Gearing - Max 40% ●

Living Well

TP01: Taking everything into account, how satisfied or dissatisfied are you with the services WCHG provide?

78%

Benchmark (median): 72%

Target 79%

TP06: Satisfied that WCHG listens to their views & acts upon them

70%

Benchmark (median): 61%

Target 70%

TP09: Satisfied with WCHG's approach to complaints handling

39%

Benchmark (median): 34%

Target 42%

TP11: Satisfied that WCHG makes a positive contribution to their neighbourhood

75%

Benchmark (median): 64%

Target 75%

TP12: Satisfied with WCHG's approach to handling ASB

63%

Benchmark (median): 58%

Target 64%

Smarter Business

Colleague Net Promoter Score

36.0

Target 15

Data Quality - Core Dataset

79.7%

Target 100% by March 2026

Technology - The equipment and systems I use help me to do the best job I can at work

66.0%

Target 75%

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Living Well

During 2023/24, the Group undertook its first official collection of the Tenant Satisfaction Measures (TSM) between July and September 2023. This survey was undertaken independently by Kwest Research with over 2,000 customers contacted, and their views gathered on the services that the Group provide to them. The results of this analysis have been shared with customers, colleagues, Customer Experience (CX) Committee and Board. CX continue to monitor and provide further scrutiny to the actions that the Group are taking to improve performance especially in those areas where performance is lowest.

This year the Customer First Programme was embedded with colleagues working through team-based 'huddles' to review the training from the previous year and ensure that the tools and techniques become part of the culture of the organisation. This has also been supported with investment into Complaint Handling training to ensure that complaints are seen as a positive opportunity to rectify issues. The impact of campaigns such as the 'Making Things Right' campaign led to a 72% increase in overall expressions of dissatisfaction from 1,096 to 1,885 during the year. Of these, 386 were stage 1 complaints. We agreed or partially agreed with customers in 270 cases (70%).

This year we started surveying all customers who had made formal complaints to us via email or telephone and we randomly sampled customers who had made informal complaints. The response rate was 15%.

Complaint Satisfaction Results

58 surveys completed with complainants.

- 56% of customers were satisfied with complaint outcome.
- 81% of customers said it was easy to make a complaint.
- 76% of customer were satisfied with the complaint handling process.

The Group tracks its tenancy turnover and the factors behind why people are leaving Group properties, as part of its tenancy sustainability approach. This could be from a wide range of factors, some of which the Group can influence and others that it cannot. In the past 12 months, 1% of our new tenants have left their home within 12 months of taking a tenancy with us from factors that we could have an influence on. These cases are reviewed to understand any lessons that can be learnt and reflected in future allocations and tenancy support to ensure tenancy success for new tenants and households in their homes. Of those tenancies over 12 months, 5.9% of reasons for leaving are related to factors that the Group have an influence over. This could include issues such as rent arrears where the Group have supported, but eviction was the only option.

Over the last 12 months, 191 Anti-Social Behaviour (ASB) cases have been raised by, or on behalf of, customers. Each case is effectively managed in order to ensure that customers receive a tailored service in line with their expectations. Satisfaction with how cases were handled for 2023/24 was 73.8% (with a 24% response rate). To help improve this further, from May 2024 text messaging will be added to help customers provide feedback on their experiences. WCHG continues to work with partners & third sector organisations to support tenants and residents across Wythenshawe to help prevent, support, or address these issues relating to ASB or community safety.

The Group's Living Well Team, a support service for tenants and households, received 729 referrals for support or assistance during the year, compared to 734 in 2022/23. The main reason for referral was to support mental health needs identified by the customer, equating to 40% of cases. Other support was provided to families, people with health issues and welfare benefits.

The Group's 'If In Doubt Shout' safeguarding process generated 1,032 cases that were reviewed by the team and progressed in partnership with other agencies in order to protect customers, colleagues, and the wider community.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Living Well

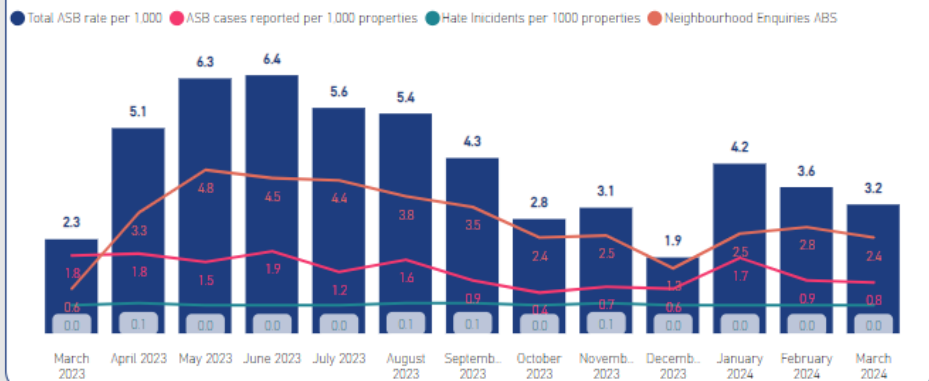
Complaints - Responses in timescale and cases per 1,000



Tenancy failures



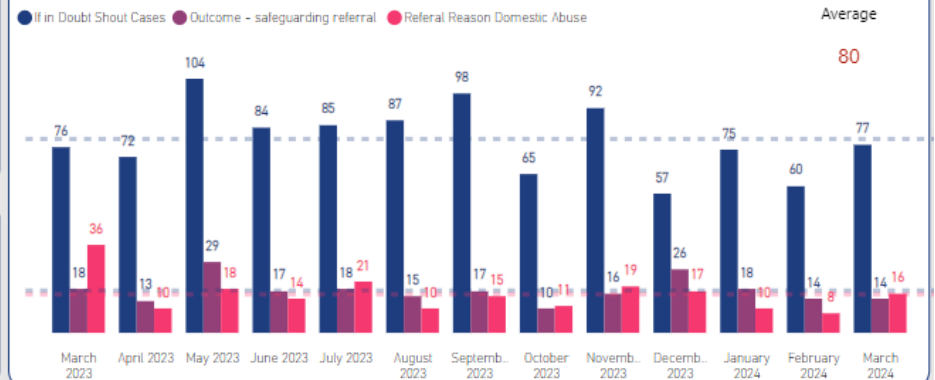
Anti-Social Behaviour - Cases per 1,000



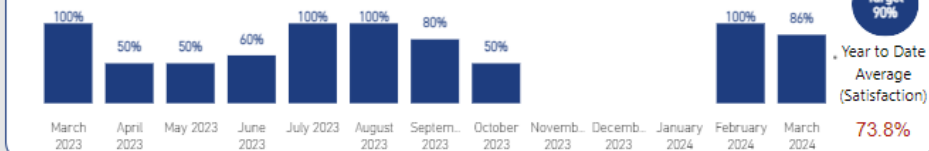
Evictions



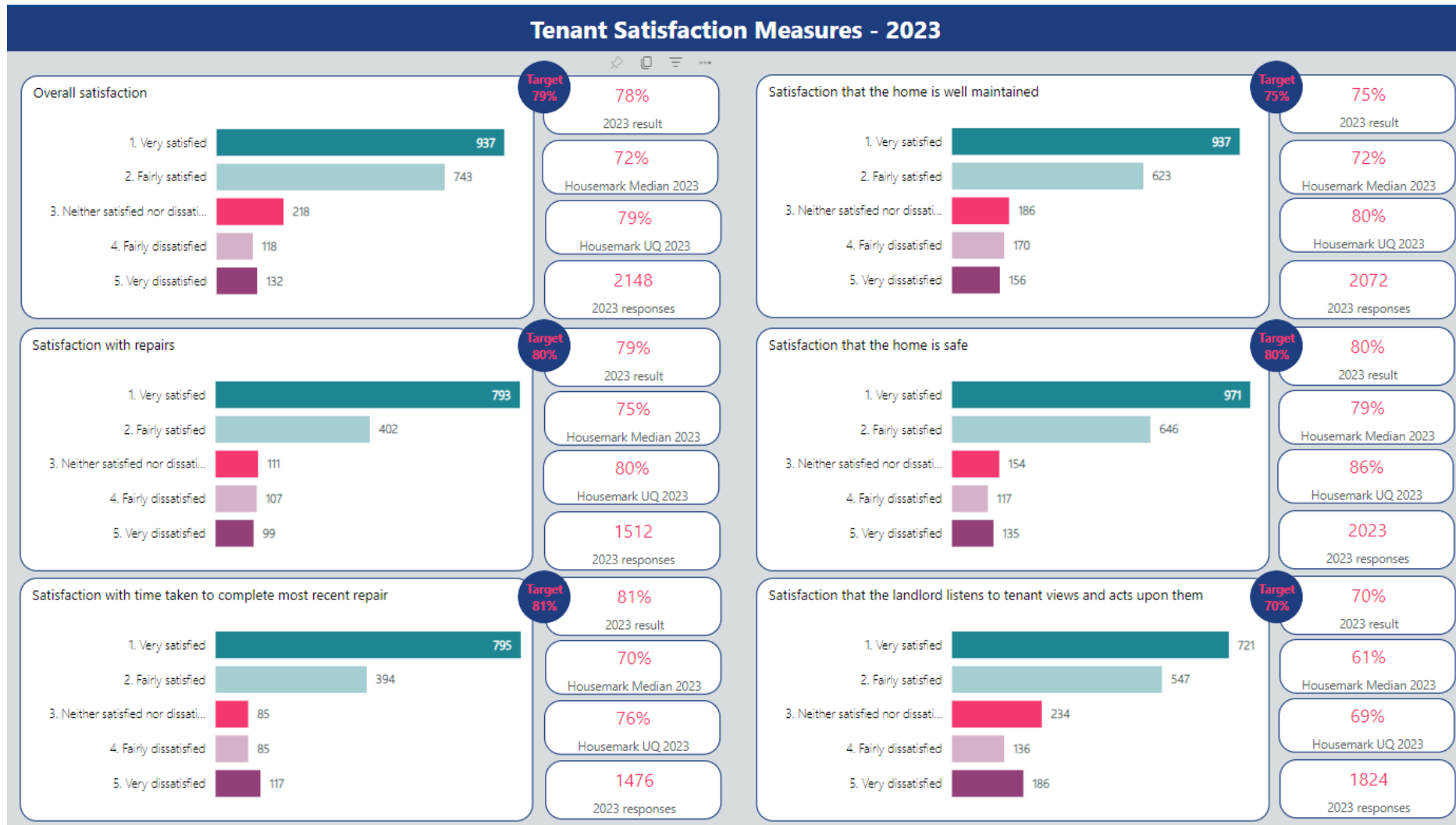
If In Doubt Shout Cases



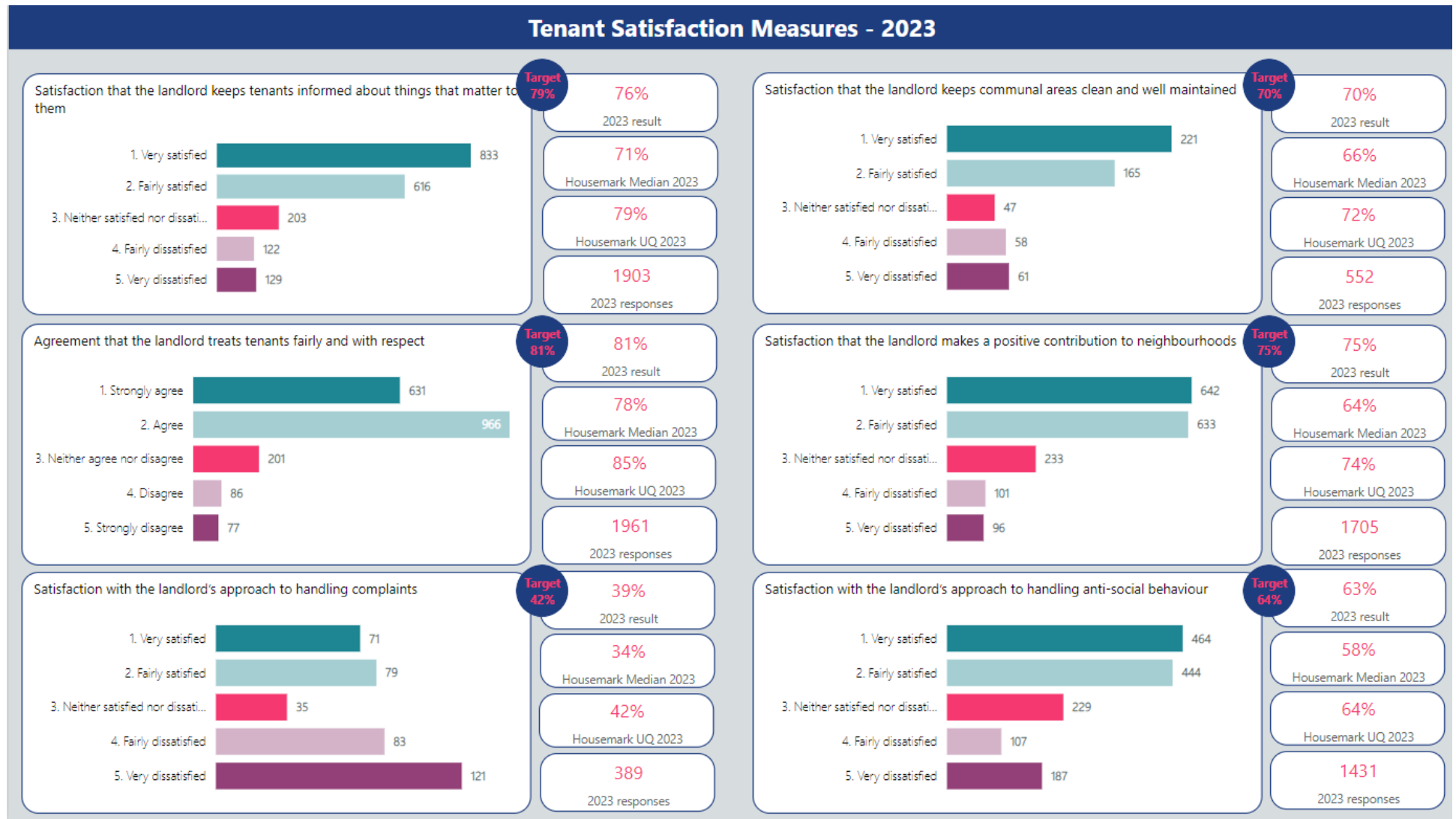
Anti-Social Behaviour - Satisfaction



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Tenant Satisfaction Measures - Management Information 2023/24

Number of stage 1 complaints made by tenants in the relevant stock type per 1,000 homes
26.19

Proportion of stage 1 complaints responded within the Housing Ombudsman's timescales
98.87%

Number of stage 2 complaints made by tenants in the relevant stock type per 1,000 homes
4.07

Proportion of stage 2 complaints responded within the Housing Ombudsman's timescales
98.18%

Number of anti-social behaviour cases opened per 1,000 homes
51.88

Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes
0.43

Proportion of homes that do not meet the Decent Homes Standard
0.19%

Proportion of non-emergency responsive repairs completed within the landlord's target timescale
79.90%

Proportion of emergency responsive repairs completed within the landlord's target timescale
98.17%

Proportion of homes for which all required gas safety checks have been carried out
100.00%

Proportion of homes for which all required fire risk assessments have been carried out
100.00%

Proportion of homes for which all required asbestos management surveys have been carried out
100.00%

Proportion of homes for which all required legionella risk assessments have been carried out
100.00%

Proportion of homes which all required communal passenger lift safety checks have been carried out
100.00%

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Great Places and Compliance

During 2023/24, the Group worked with customers and contractors in order to ensure that customers' homes remained safe. This is reflected by strong compliance metrics throughout the year and the completion of our five year, £18m building safety investment package across our homes.

Our Repairs and Maintenance performance has been improving over the last 12 months since the introduction of improved systems (AccuServ) alongside improved communications to customers. The new Repairs policy and system measures went live in July 2023 which, whilst it does impact performance comparison prior to this date, it aligns our service to sector publications on best practice. The Group is also experiencing the benefit of greater data insight which is driving improvement decisions on resource allocation and repairs management.

Repairs and Maintenance appointment no access rates have almost halved since the introduction of these changes, which has also driven up customer satisfaction by over 4% during the year and delivered resource efficiencies.

Following an internal audit recommendation to further develop the detailed measures and live data on Decent Homes compliance monitoring, the Group is now reporting any identified Housing Health and Safety Rating System breaches as Decent Homes failures. This is a significant improvement in the transparency & accuracy of reporting. This also aligns and enables accurate returns on the new formal reporting to the Regulator and via Tenant Satisfaction Measures.

Demand for adaptations continues to increase and the Group continues to work with Manchester City Council to deliver these, also ensuring that rightsizing interventions are put in place to support customers in their ability to enjoy a safe home that meets their needs. During the year, Board have approved additional investment to meet this rising adaptations demand from customers over the coming years.

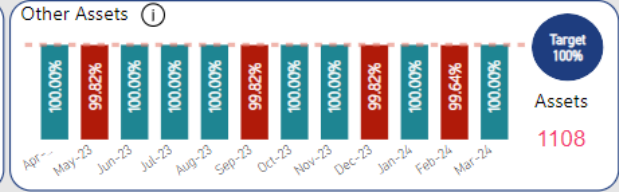
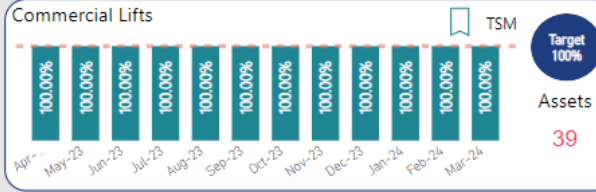
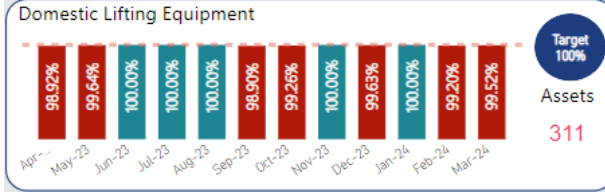
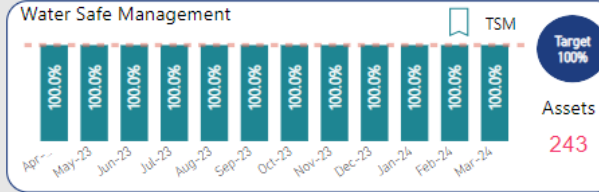
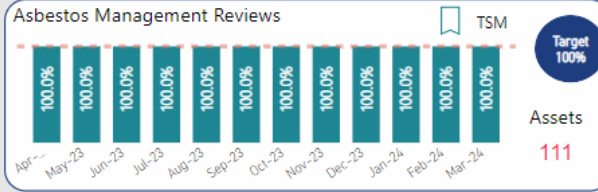
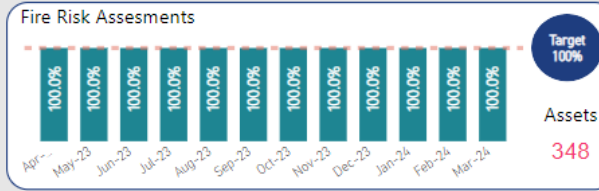
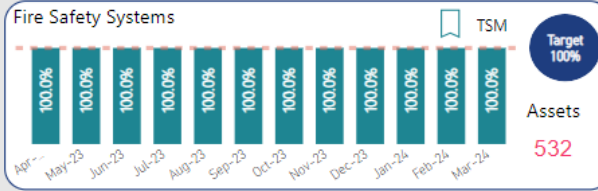
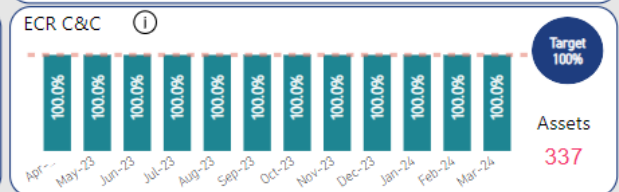
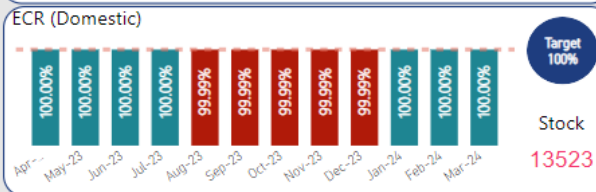
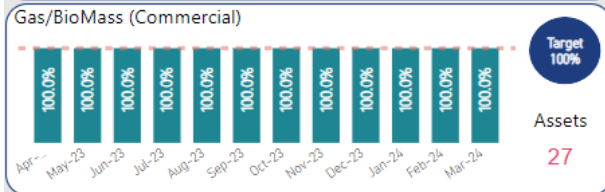
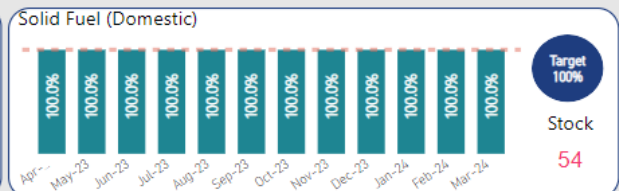
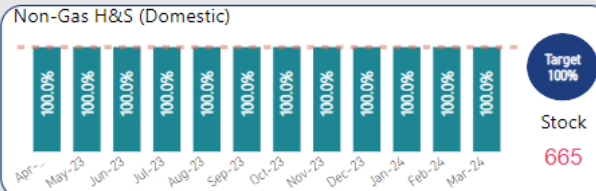
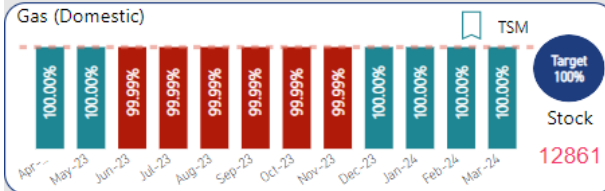
During 2023/24 we dedicated our resources to focusing on improving performance against stock condition targets, to support additional insight on the investment that is planned for future years. As at the year end stock condition data is in place for 98.6% of the stock with 86% of homes having had a survey by Chartered Surveyors in the last 5 years. Further work is underway to deliver a detailed package of work to bring all homes up to SAP Level C where practical, the total cost of this target is included in the approved Business Plan.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Compliance



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Smarter Business

Rent arrears as a percentage of the annual rent debit increased slightly from 2.71% in 2022/23 to 2.97% in 2023/24. In financial terms, current tenant arrears totalled £1.997m, which was £0.153m higher than the prior year. The rate of cash collection for 2023/24 was 99.9% compared to 98.5% for 2022/23.

During the year, the Group evicted 14 customers compared to 11 in 2022 / 2023. Every effort is made to support customers and eviction is only undertaken once all avenues and opportunities have been exhausted. During the year, the Group made 124 applications for possession, where on average, the tenants had debts of £1,519. This demonstrates that the Group continues to work with customers to ensure that they can maintain their homes, even after possession proceedings have commenced.

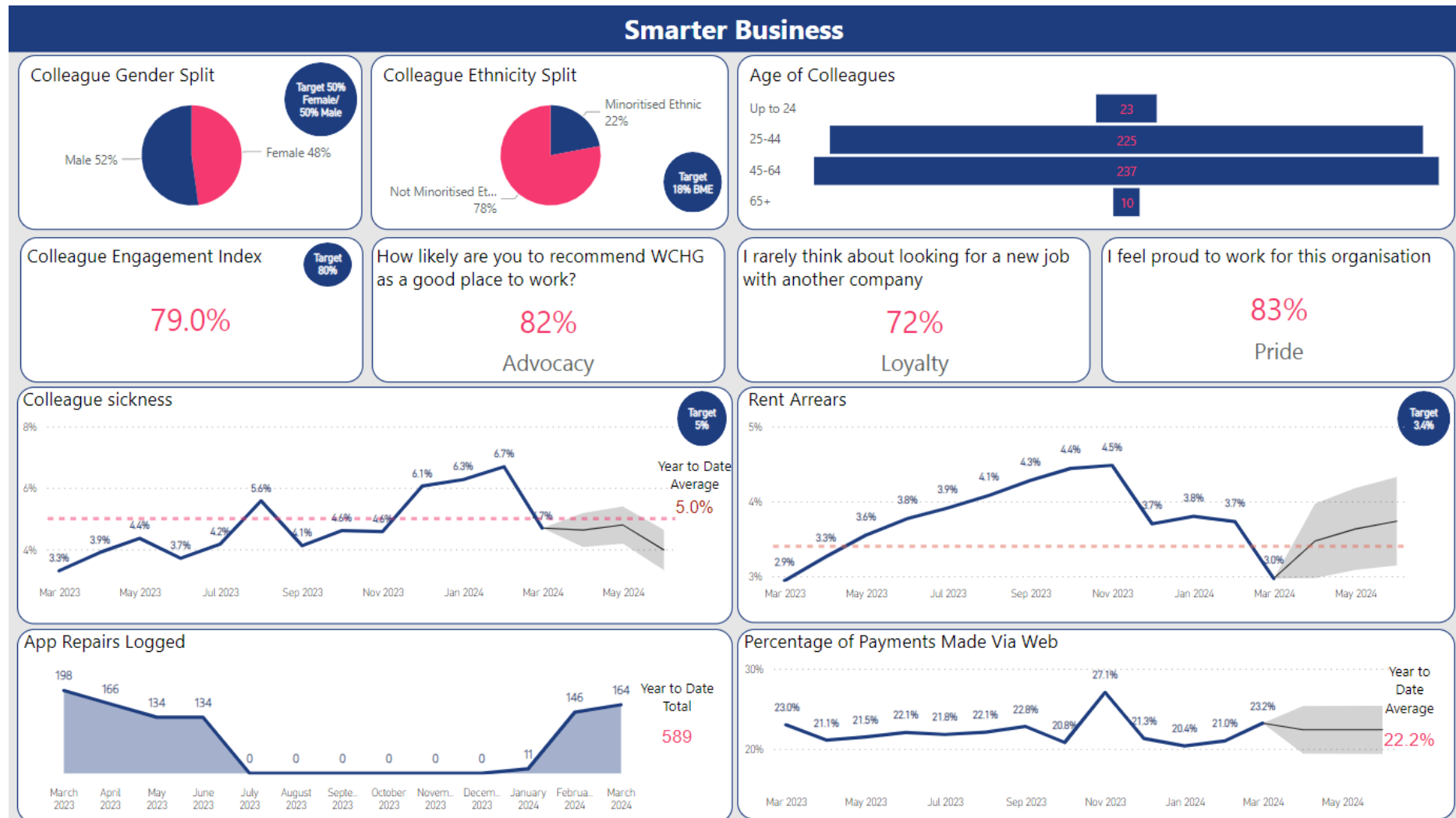
Throughout the year the Group have proactively managed all sickness cases to support colleagues to return to work and promote the diverse range of support that can be put in place. The average level of sickness for the year was 5.0% which is a decrease from 5.7% last year.

The annual colleague survey was conducted in October and November 2023 using the Hive platform, 380 colleagues completed the survey representing 77% of colleagues, this compares to 67% in the previous 2022 survey.

The survey utilises the Net Promoter Score (NPS) and asks colleagues, "On a scale of 1-10, how likely is it that you would recommend WCHG as a great place to work?" This year, we recorded a positive improvement, with an NPS of +36 (compared to +30 last year).

Marginal improvements in the quality of data have been put in place and wider improvements will be delivered with the implementation of the Pulse system for the Customer Hub in July 2024. This will ensure that the core customer record is improved, and more data fields will form part of the core record for the customer. This supports the Corporate Plan goal to deliver a three-year data quality improvement programme.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

More Homes

Throughout 2023/24, the Group successfully completed the construction of 141 homes.

At year end, the Group had nine development schemes on site and, when including buy backs, this equates to 262 homes in the pipeline with 226 currently planned to be delivered in 2024/25. A further five schemes have been approved by Board totalling another 234 homes.

Of the 141 handovers in 2023/24, 39% of the homes were built with modern methods of construction and were either high EPC B or EPC A. During the year most of our homes have been developed to be 'off gas', working towards more sustainable future homes.

The overall forecast is for 1,191 completions for the six year period from 2022/23 to 2027/28 which equates to an average of 199 homes a year.

We have worked with numerous partners during 2023/24 to ensure we are a key player in the future Wythenshawe Civic regeneration plans and we expect to work with the selected partner once they are confirmed.

Shared ownership sales continue to be buoyant and provide an alternative affordable housing option. We have made a number of changes during the year to reflect the new model of shared ownership.

During the year we have also changed the way we engage with leaseholders and homeowners to deliver a more bespoke service where customers can meet with us and discuss any individual issues.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Value for Money

Strategic approach to Value for Money

The Group's Value For Money (VFM) strategy runs until 2024/25 and very closely aligns to our 2023-26 Corporate Plan, our Purpose and nine Guiding Principles. The importance of VFM is underlined by the fact that Board have chosen to identify VFM as a separate cross-cutting strategic theme in the latest Corporate Plan. In addition, VFM is embedded within WCHG's Values and supporting Behaviours, developed with colleagues and launched during 2022/23.

Our VFM strategy can be found on our website.

The VFM strategy outlines the Board's ultimate responsibility for VFM. Guided by a clear Purpose and Guiding Principles, Board will continue to allocate resources across competing priorities so as to achieve an optimum balance between current and future service delivery, and financial capacity. Engagement with customers, colleagues, and where appropriate, other stakeholders, is one key way to ensure the decisions taken are robust in terms of VFM delivery.

Objectives and Focus of the VFM strategy

The strategic approach to VFM has evolved over the over the last financial year. There are currently seven significant areas where it is felt that VFM delivery can be maximised over the rest of the strategy period – These are detailed below:

- Delivery of the Procurement Strategy – The procurement function and the Procurement strategy have evolved since launch in 2022. Customers now have greater involvement in our procurement processes and value for money decision making with the creation of four voluntary procurement roles to support tender evaluation and contract management.
- Improving and/or maintaining financial performance/VFM metrics – the social housing sector remains under significant pressure, not least from the impact of reduced rent increases, high inflation and the cost of living crisis and customer/regulator expectations, etc. – this will continue to squeeze margins and interest cover levels.
- The creation of internal VFM Metrics, additional to the regulatory VFM indicators, which moving forward will further allow the Group to measure its VFM performance and communicate it to colleagues and customers.
- Improving income through the service charge project. Historically the organisation has under-recovered service charges, evidenced by peer comparison and a working group has been created this year to improve our approach to recovery of service charge income in a fair and transparent manner.
- Transformation activity including service reviews – the Benefits Realisation Methodology is a key part of our project management approach to quantify future benefits across financial, operational, social and environmental aspects, with financial and operational benefits specifically contributing to VFM. Specific projects will be identified to cut out waste work from our processes as we move towards the new operating model.
- Social investment delivering customer benefit – this objective relates to enhancing our approach to social investment for our customers and the communities. This has been derived from community feedback and a commissioned report to provide an overview of social and economic change in Wythenshawe over the past ten years.
- Investing to save – The Group is accelerating efforts to invest in further innovative technology and approaches to delivering services, which will contribute to long term efficiencies. All such investment is tracked and actual longer-term benefits monitored and reported through our benefits realisation methodology.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Value for Money Metrics

This section complies with the regulatory requirement to annually publish evidence to enable stakeholders to understand our performance against our own VFM targets and those metrics set out by the Regulator. We also review how that performance compares to peers.

For peer benchmarking we have used the Value for Money Metrics and Reporting 2023 document published by the Regulator. We have compared our results against the previous year's results for 33 organisations of a similar size (10,000 to 19,999).

We also compare to a peer group of RPs from the North West. There are 35 providers in the North West. We chose RPs to be in the peer group which had 10,000-19,999 units throughout the last 4 years; with the addition of Great Places, as they are a close neighbour and not materially over 20,000 units. This has created a consistent group of ten registered providers. WCHG is the fourth largest of the providers and seven of the ten providers have very similar numbers of units to WCHG.

The data used for each provider is taken from the RPs published statutory accounts.

For clarity, the peer benchmarking compares 2023/24 metrics for WCHG against previous year metrics for peers

Registered provider	Social Housing units owned in March 2023
Bolton at Home	18,700
First Choice Homes	11,426
ForHousing	17,539
Great Places	21,830
Livv Housing	12,963
Magenta Living	12,635
One Manchester	12,263
One Vision	11,453
Regenda	12,691
Rochdale Boroughwide Housing	12,420
<i>WCHG at 31st March 2024</i>	<i>13,730</i>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Section	Indicator	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23	Forecast Target				
		2019/20	2020/21	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27	2027/28	2028/29
Business Health	Operating Margin (overall)	7.00%	9.80%	19.32%	15.20%	17.30%	16.10%	11.05% (m)	16.20%	14.80%	21.30%	20.30%	21.40%	22.30%
	Operating Margin (Social housing lettings)	6.40%	10.30%	20.66%	14.50%	16.00%	15.60%	14.55% (m)	19.60%	13.60%	17.30%	18.00%	20.20%	21.00%
	EBITDA - MRI	158.90%	203.80%	261.30%	108.60%	430.20%	183.00%	108.28%	123.50%	160.60%	148.30%	125.60%	126.70%	123.70%
Development Capacity and supply	New supply delivered (social housing)	0.30%	0.90%	0.34%	0.27%	0.80%	0.70%	1.03%	1.20%	1.50%	1.70%	1.50%	1.20%	1.20%
	New supply delivered (non social housing)	0.10%	0.10%	0.12%	0.07%	0.20%	0.10%	0.10%	0	0.00%	0.00%	0.20%	0.20%	0.10%
	Gearing	29.00%	23.50%	20.72%	20.88%	26.00%	24.80%	37.86%	48.30%	30.40%	33.20%	36.40%	37.90%	38.90%
Outcomes Delivered Effective asset management Operating efficiencies	Reinvestment	3.30%	6.00%	5.47%	7.50%	13.30%	14.00%	10.47%	7.70%	15.90%	14.50%	16.10%	13.40%	12.40%
	Return on Capital Employed	2.40%	2.70%	4.53%	3.90%	3.70%	4.10%	3.53%	3.30%	3.20%	4.40%	3.90%	4.00%	4.00%
	Headline social housing cost per unit	£3,850	£3,720	£3,658	£4,579	£4,493	£4,616	£4,470	£4,340	£5,092	£5,383	£5,430	£5,405	£5,414
	Management	£1,029	£927	£1,174	£1,311	£1,322	£1,501			£1,439	£1,439	£1,457	£1,399	£1,381
	Service	£408	£376	£345	£437	£444	£432			£512	£517	£524	£529	£535
	Maintenance	£718	£668	£742	£826	£855	£758			£905	£916	£930	£943	£953
	Major repairs	£1,562	£1,648	£1,323	£1,906	£1,773	£1,819			£2,128	£2,423	£2,430	£2,444	£2,455
	Other social housing	£133	£101	£74	£99	£99	£104			£108	£88	£89	£90	£90

Source:

National median peer group - Regulator of Social Housing Value for Money Metrics and Reporting 2023 - Table 7 Summary of sub-sector metric 2021-2-23 Median 10,000 - 19,999

NW Peer Group - statutory accounts of peers in the North West as listed in table above

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Business Health

Operating Margin – this metric is defined as operating surplus divided by turnover and demonstrates the profitability of operating assets. The regulatory requirement is to show the overall operating margin but also that of social housing lettings only.

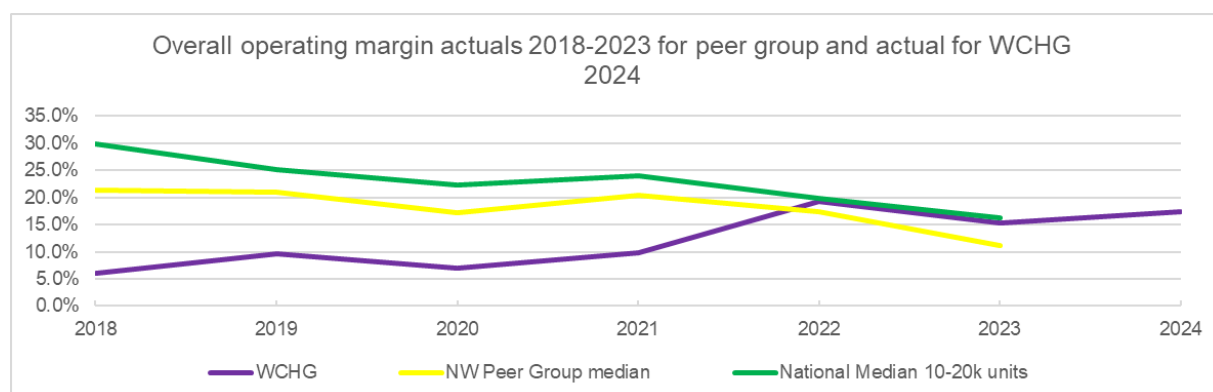
	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
	2019/20	2020/21	2021/22	2022/23	2023/24			
Operating Margin (overall)	7.00%	9.80%	19.32%	15.20%	17.30%	16.10%	11.05% (m)	16.20%
Operating Margin (Social housing lettings)	6.40%	10.30%	20.66%	14.50%	16.00%	15.60%	14.55% (m)	19.60%

Performance against target for overall margin

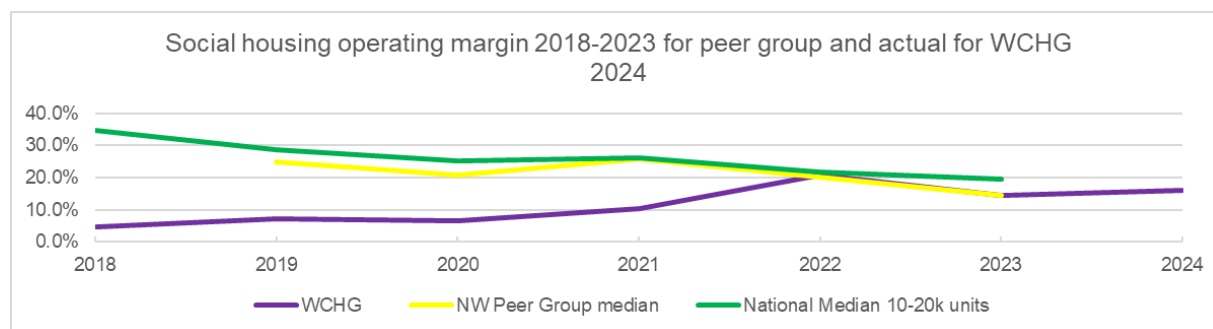
In the year the Group exceeded the overall and social housing operating margin targets. This is because of the positive impact of the pension scheme accounting which reduced costs by £2.1m thus adding 2.1 percentage points to overall operating margin (15.2% rising to the reported 17.3%) and 1.5 percentage points to social housing operating margin (14.5% rising to 16.0%). Our local and national peers may well have been impacted similarly by their pension movements but this is not yet reflected due to the one year lag in comparable peer reporting.

In common with others in the sector the group continued to experience increasing repairs demand with an additional to budget spend of £2.4m being made. The Board once again made the decision to meet this additional customer demand for repairs with £1.2m more than budget being spent on day to day repairs, void costs, damp & mould and components coming to the end of their useful life where replacement was more economical than repeated repairs. Cyclical repairs saw an overspend of £291k with boundaries and pathways contributing significantly to this. Within improvements, damp & mould, cavity insulation works, and further fire doors and safety spend saw further overspends. The overall cash impact was balanced via a reduction of £1.4m in capital renewals spend on roofs and kitchens.

Benchmarking:



WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED



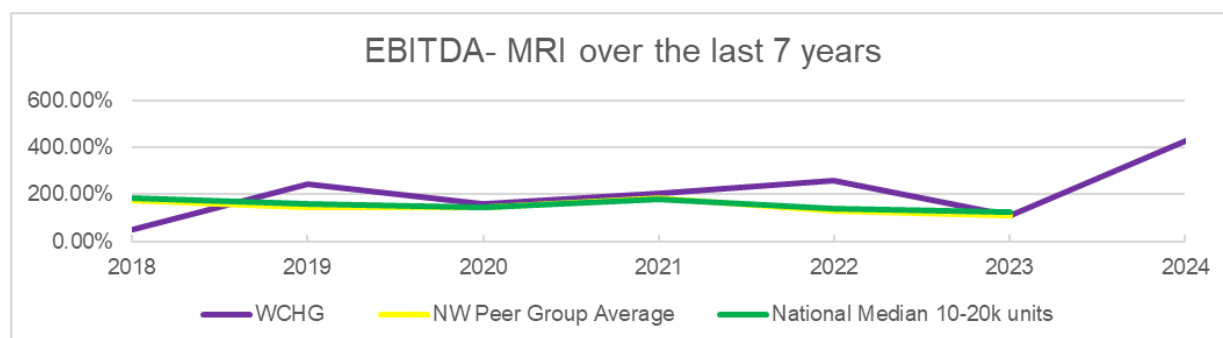
The WCHG overall operating margin was above the peer group median and close to the national median for our size. The business plan sets a target of 21.30% by 2025/26 which will prove challenging due to both economic pressures and continuing customer demand, so this target will be kept under review.

EBITDA-MRI - this metric (the acronym standing for Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included) is defined as a key indicator of liquidity and investment capacity, as it seeks to measure the level of surplus that is generated compared to interest payable. The Regulator ratio is defined differently to our funders' required ratio of 'interest cover' which also seeks to measure liquidity.

	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
	2019/20	2020/21	2021/22	2022/23	2023/24			
EBITDA - MRI %	158.90%	203.80%	261.30%	108.60%	430.20%	183.00%	108.28%	123.50%

EBITDA-MRI is significantly impacted by the in-year pension benefit which moves the percentage from 213.0% to 430.2% when adjusted. Even without this benefit the 213.0% achieved is in excess of the target of 183.0% and significantly ahead of the prior year 108.6%. Targets assume a neutral pension impact to reflect just operational performance.

Benchmarking:



Note- 2018 was a year of refinancing with large break costs hence the low EBITDA

In previous years WCHG's EBITDA-MRI has been consistently higher than the national and peer group measures. The in-year decision to continue to meet increased demand from customers and spend £2.4m more than budgeted on repairs has pushed earnings down against a fairly consistent level of interest payable.

The Regulator EBITDA-MRI reported here (430.2%) is, unusually, higher than the similar interest cover covenant from our funders (396.4%). The basis of these measures is different for both the regulator and our funder. The Regulator includes our pension impact, which has been significant in the year, but excludes the impact of Right to Buy Sales which was much smaller than expected due to the difficult mortgage market. Our funders take a different view and exclude the significant pension impact whilst

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

including the smaller than expected Right to Buy Sales impact. The result of this is the Regulator measure exceeding the funders measure in the year.

Development - Capacity & Supply

New supply delivered – this metric is defined as the units acquired or developed in the year as a proportion of existing stock. The Regulator requires that this metric be split to cover both social and non-social housing units.

	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
	2019/20	2020/21	2021/22	2022/23	2023/24			
New supply delivered (social housing)	0.30%	0.90%	0.34%	0.27%	0.80%	0.70%	1.03%	1.20%
New supply delivered (non social housing)	0.10%	0.10%	0.12%	0.07%	0.20%	0.10%	0.10%	0

During the year a total of 141 homes were completed, made up of 118 social housing and 23 non-social housing units, a significant increase on the previous year total of 44 and in the right direction to achieve our planned 200 homes per year.

Benchmarking:

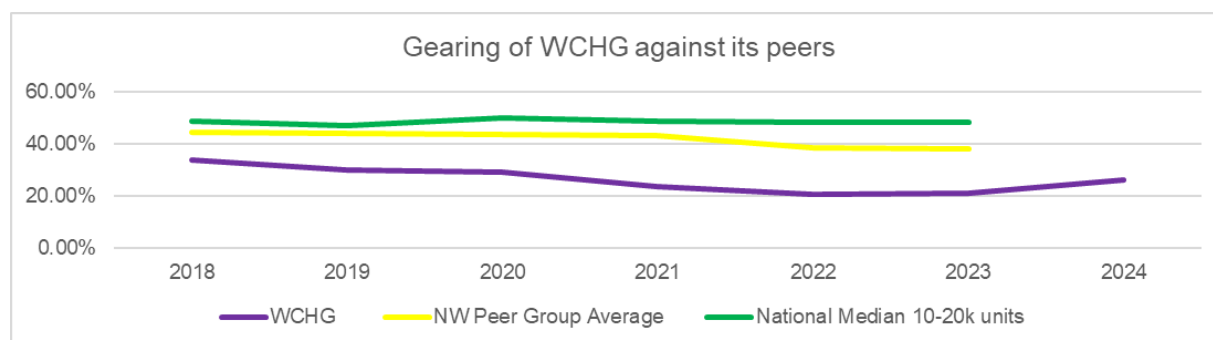
Across our local peer group, a total of 1,936 new homes were built during 2023. This gives an average of 194 homes, a median of 147 and a range 8 to 649. Comparing our 141 homes to these statistics and bearing in mind our aspiration to build 200 homes puts us largely in line with our peers.

Gearing - this metric is defined as the proportion of borrowing in relation to the size of the asset base and is seen as a key indicator of potential growth. The Regulator gearing ratio is different to the 'financial indebtedness' ratio required by our funders, which is an alternative measure of gearing.

	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
	2019/20	2020/21	2021/22	2022/23	2023/24			
Gearing	29.00%	23.50%	20.72%	20.88%	26.00%	24.80%	37.86%	48.30%

The Group's gearing ratio is higher than the in-year target due to the continued spend on development. Development spend was at 96% of the £41m budget a substantial improvement in delivery on the previous year, which contributed to the planned increase in gearing.

Benchmarking:



WCHG is not as highly geared as other organisations of our size nationally or even locally. It is a key strength of WCHG that we have capacity to borrow further funds to build more properties (or invest in other areas where required). However, it should be noted that WCHG previously elected to value its

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

properties at 'deemed cost', so gearing is lower by around 10% compared to others not adopting a similar treatment. Our capacity to deliver our planned 200 homes per year is well within our funding provision.

Outcomes Delivered

Reinvestment – this metric is defined as the scale of investment into existing housing and acquisition or development of new housing in relation to the size of the asset base.

	Actual					Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
	2019/20	2020/21	2021/22	2022/23	2023/24			
Reinvestment	3.30%	6.00%	5.47%	7.50%	13.30%	14.00%	10.47%	7.70%

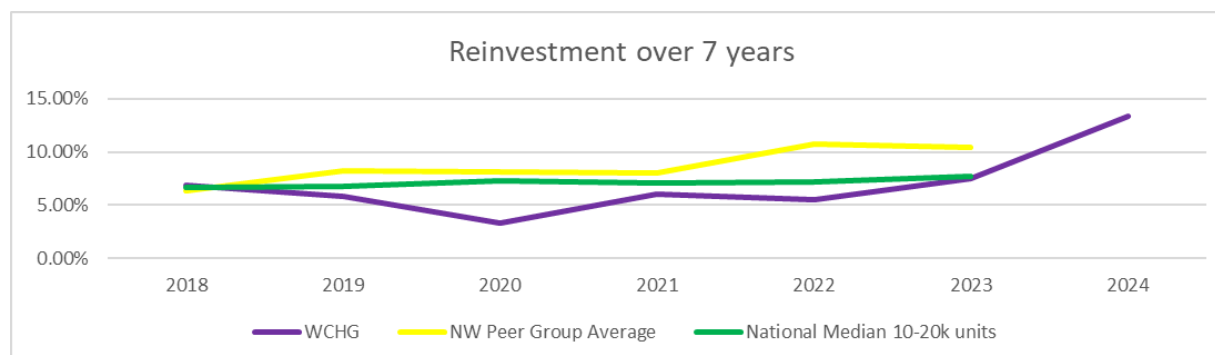
Reinvestment spend is connected to spend on existing buildings and development expenditure.

Performance against target

The target was to spend £41.0m on development and £17.5m on capital works to our existing stock. The actual spend was £39.3m and £16.1m respectively. The relatively small underspend in development was due to the timing of activity and some capital works spend was redirected to offset the increased demand from customers for repairs.

The outstanding fire safety works were completed during the year with the remaining provision of £3.9m being spent.

Benchmarking:



WCHG has continued to increase its reinvestment percentage with 2024 being ahead of both the NW peer group and also the median of the national peer group. At 13.5% in 2023/2024 WCHG is above the 2022/23 for both the NW and national peer group and is showing an increase to this position over the last three years with a further increase targeted in 2024/25.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Effective Asset Management

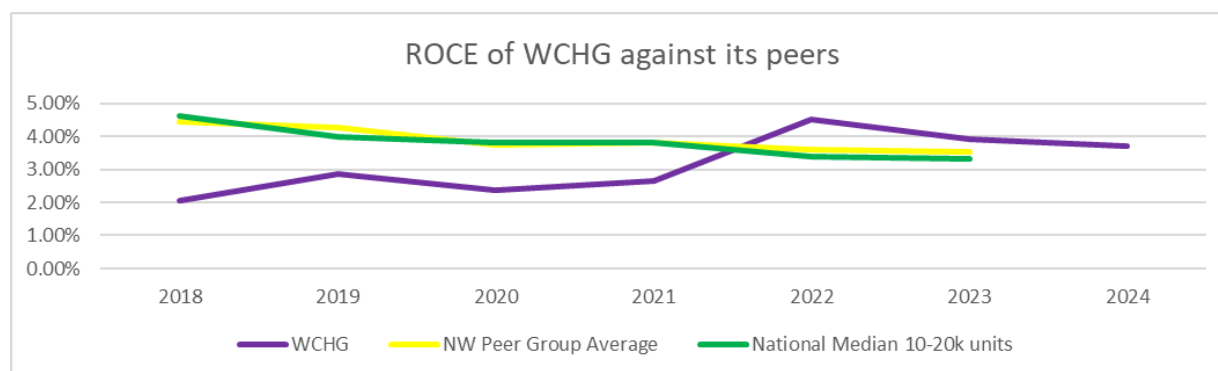
Return on Capital Employed (ROCE) – this metric assesses the efficient investment of capital resources by comparing the operating surplus to total assets less current liabilities.

	2019/20	2020/21	Actual			Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
			2021/22	2022/23	2023/24			
Return on Capital Employed	2.40%	2.70%	4.53%	3.90%	3.70%	4.10%	3.53%	3.30%

Target

ROCE is calculated by dividing the operating surplus by the net assets. The substantial increase in capital employed to provide future returns and the impact of meeting additional repairs demand has marginally reduced the in-year measure which remains ahead of our peers.

Benchmarking:



Operating Efficiencies

Headline Social Housing Cost Per Property – this metric uses the Regulator’s definition of headline social housing cost per property, which is then broken down into its key headings (management, maintenance, major repairs, service, other).

	2019/20	2020/21	Actual			Target 2024	NW Peer Group 22/23 (Median -(m) all others are averages)	National Median Peer Group 2022/23
			2021/22	2022/23	2023/24			
Headline social housing cost per unit	£3,850	£3,720	£3,658	£4,579	£4,493	£4,616	£4,470	£4,340
Management	£1,029	£927	£1,174	£1,311	£1,322	£1,501		
Service	£408	£376	£345	£437	£444	£432		
Maintenance	£718	£668	£742	£826	£855	£758		
Major repairs	£1,562	£1,648	£1,323	£1,906	£1,773	£1,819		
Other social housing	£133	£101	£74	£99	£99	£104		

Performance against target

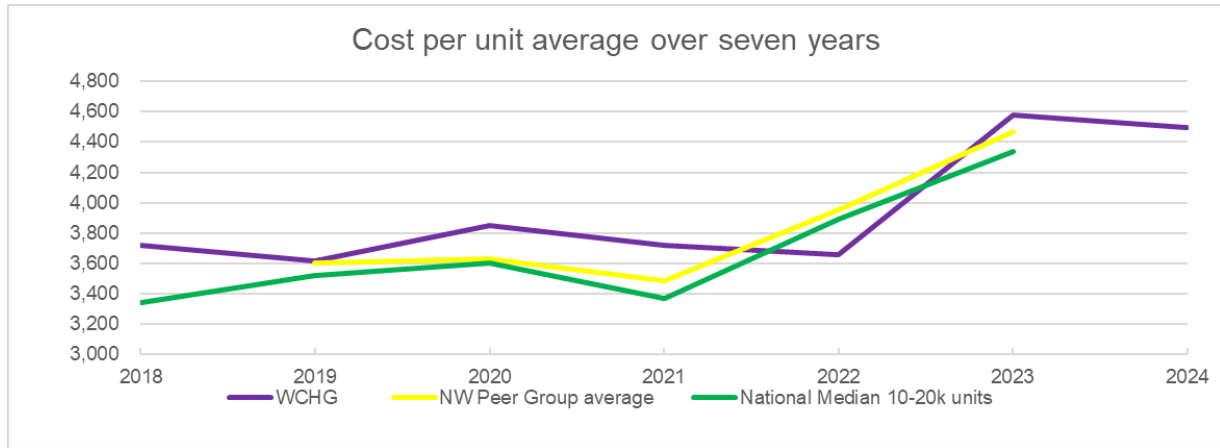
The headline social housing cost per unit is lower than budget as the higher expenditure in maintenance cost per unit, arising from the continued response to increased customer demand, is offset by favourable variances in major repair costs, due to reduced works, and management costs, which were positively impacted by the pensions impact.

Amongst the normal variations in costs, key areas of increases, which are likely to continue, are being seen in insurance and in the use of contractors to carry out the works where our in-house team’s capacity is exceeded by demand.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Major repair costs have been closely managed, resulting in a reduction of £46 per unit against budget, with the most significant spend reductions in capitalised costs of kitchen and roofing works. Against these reductions, work has increased to ensure preventative measures are fully in place in areas such as damp and mould, with an additional £0.6m being spent on fan installations for example.

Benchmarking:



WCHG remain, overall, in line with our peers and have actively chosen to continue to complete fire safety improvement works, respond to new regulations immediately, continue to meet customer demand, whilst not reducing spend in other key Corporate Plan areas such as Transformation.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Assets and Carbon Reduction

Our Asset Management strategy supports the corporate plan objectives and sets the framework to drive value for money from our stock. We aim for an optimal return on assets and have in place policies and standards that ensure assets are well maintained, comply with appropriate standards and are supported by management activities & interventions.

The Savills SHAPE¹ asset performance model enables stock net present values to be routinely established. These are then compared and monitored so as to intelligently influence our business planning processes and interventions.

Through SHAPE, the Board are able to review poor performing asset groups and apply ethical decisions on investment, intervention or disposal. This approach also enables considerable benchmarking with other North West RPs and the ability to develop realistic objectives and metrics. Through driving the return on assets, we are able to influence the value of our stock and future capacity of the business to support our growth and community investment aspirations.

We recognise the importance of reliable asset data and have strengthened our approach to Stock Condition Surveys over the last 3 years. 20% of our homes are surveyed annually by external Chartered Surveyors to ensure a robust long-term business planning process. We now have surveys covering 98.6% of our homes with 86% completed within the last 5 years. This approach allows a rolling programme of inspections of every home by Chartered Surveyors, supplemented by an annual health and safety check by employed colleagues to 100% of our housing stock.

This robust data and understanding of our homes has enabled WCHG to respond swiftly to challenges in recent years around property condition such as damp and mould, alongside delivery of significant building safety improvement programmes, whilst supporting longer term investment planning, as we model and develop solutions to the zero carbon challenge, balancing the competing demands for our future resources.

Our Carbon Reduction Strategy sets out the detail and commitments for the organisation in supporting this Corporate Plan theme. During the financial year, we have delivered a significant investment across our homes to improve thermal efficiency for customers, whilst lowering dependency on carbon. We now have 7% of our homes having a source of renewable energy which compares to a national position of 0.9% of homes. Our strategy supports Manchester City Council's commitment to be a carbon zero city by 2038 and respond to the requirements of current & future, national and international policy.

The Carbon Reduction Strategy highlights seven themes to support delivery of objectives across all areas of the business:

Theme	Focus
Governance	Embed carbon reduction as a corporate plan priority for resources, ways of working and culture.
Stock and existing assets	Ensure the Asset Management Strategy will deliver radical and rapid energy efficiency improvement programmes across the housing Stock, in line with the approved business plan.
New Build	Avoid adding assets that increase the decarbonisation challenge.
Energy	Reduce consumption, and transition to renewable energy sources.
Waste	Reduce waste generation and maximise recycling.
Transport	Reduce carbon emissions and maximise the efficiency of travel connected to our business and service delivery.
Ecology	Minimise the negative impact and maximise the positive impact of our activity on the natural environment.

Within the stock & existing assets theme (which accounts for 61% of emissions), the Group received Social Housing Decarbonisation Funding (SHDF), through wave 1 and wave 2 government allocations, kickstarting our journey to net zero homes. Wave 1 has now been completed, working

¹ SHAPE – Social Housing Asset Performance Evaluation

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

with a consortium of Great Manchester Housing Provider partners. Towards the end of the financial year, we commenced the retrofit of a further 250 homes under wave 2. Board have set aspirations to achieve SAP level C in all our homes by 2030. Strong progress has been made by embedding SAP C enhancements into all planned workstreams and routine empty homes work. The full cost of achieving SAP C for all homes was re-appraised during the financial year by external Chartered Surveyors, Savills and the full cost of achieving SAP C is included in the business plan.

We continue to refine our energy data through a programme of domestic energy surveys, (currently 79% of homes are covered by a survey), refining our asset models to ensure the costs of net zero by 2050 are fully understood through stress testing on our business plan. Our net zero costs are now also informing the NPV SHAPE modelling work, further enhancing our intelligence and investment decision making. Going forward the Group will continue to develop our commitment to long term carbon reduction across property assets and business operations, within a prudent framework of business planning.

The Group continues to manage adherence to various standards including Decent Homes compliance, energy performance standards and building safety requirements. Our Asset software system, Promaster, is an essential specialist tool for this asset planning process. Our approach is underpinned by live performance data which influences our day-to-day decisions on maintenance, empty homes management and preventative decision making. The Group continues to focus on a range of measures including turnover, demand, letting times, void costs and compliance to drive performance, target efficiency gains and improve tenant satisfaction measures.

Treasury Management and Capital Structure

The Group utilises financial instruments in order to provide long term finance for the Group's activities, which exposes the Group to a range of financial risks. The Board approves a Treasury Policy and Annual Treasury Strategy with guidance from independent treasury advisors, designed to mitigate the following financial risks:

Interest rate risk – The risk that changes to interest rates impacts on the financial viability of the Group. This is managed by the use of an optimum balance of fixed and variable rate loan facilities, reviewed annually.

Liquidity / cash flow risk – The risk of running out of cash or available loan facilities necessary to meet the Group's financial commitments. In order to manage this the Treasury Policy sets rules around the minimum holding of cash and instant access funds, along with a range of controls around cash flow forecasting. In addition to these minimum holdings, at 31 March 2024, the Group had £40m of undrawn committed facilities.

Credit / counterparty risk – The risk of contracting financial instruments with organisations that are not of good financial standing resulting in loss of funds. The Treasury Policy requires that all counterparties have a prudent minimum credit rating, in order to ensure the security of the principal sums invested.

Refinancing risk – The risk that loan facilities cannot be refinanced at a market interest rate at the end of their term. The Group manages this by closely monitoring the maturities of all loan facilities, planning any renewal or refinancing of facilities early, to maximise the ability to obtain competitive rates in the light of prevailing market conditions.

Currency risk – the risk that the Group's viability is affected by adverse foreign exchange rate movements. However, the Group borrows only in sterling and so is not exposed to such risk.

The Group's loan funding structure in place at 31 March 2024 is detailed in the table below. This includes a £90m note purchase agreement which is fully drawn at a fixed rate of 3.4% per annum. At the end of the year there were two investors, M&G Investments (£44.5m) and Aviva Life & Pensions UK (£45.5m). There is also a £61m loan facility with NatWest, including £21m of fixed rate loans (fully drawn at various fixed interest rates) and £40m revolving credit facilities (undrawn).

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Funder	Loan facility	Loans drawn	Loans undrawn	Security	Asset Cover Ratio*
Natwest	£61m	£21m	£40m	£118.4m	177% (110%)
M&G/Aviva	£90m	£90m	N/A	£164.3m	173% (105%)

**funding agreement asset cover limits included in brackets*

Based on asset cover requirements of 110%, the Group has scope for additional funding of c.£321m. The Group protects itself against the full impact of uncertainty and, in particular, interest rate increases, by having an appropriate proportion of its debt at fixed rates – at 31 March 2024 all drawn debt is at fixed rates – the £90m note purchase agreement is at 3.4%, whilst the NatWest £21m has an average fixed rate of 6.17%.

The Group's effective interest rate for 2023/24 was 3.92% which is slightly lower than the sector's average effective interest rate of 4.00% for 2022/23 (Source: Regulator of Social Housing: 2023 Global Accounts of private registered providers).

Post Balance Sheet Events

There have been no events since 31 March 2024 that have had a significant effect on the Group's financial position shown within these financial statements.

Principal risks and uncertainties

The Group has a risk management framework in place and has fully embedded the risk management process throughout the business. The risk management process includes regular identification and review of risks on the strategic risk register by Board, Audit & Risk Committee, the Executive team and operational managers. The Group risk management processes include, but are not limited to:

- An Audit & Risk Committee with delegated authority from the Board for oversight of risk and internal control processes
- An established 'Three lines of defence' risk and assurance governance model
- A risk appetite statement that is regularly reviewed by the Board
- Established stress testing and regular evaluation of cumulative risk exposures
- A strategic risk register with regular updates to the Board and Audit & Risk Committee
- Operational risk registers for all business areas
- Programme and Project Risk Registers for the Transformation Programme

The Group's risk appetite is determined by the Board and is influenced by the capacity of the business to manage the risk if it were to materialise, the longer-term consequences of the risk and the return achieved by taking such risks. The most significant judgements are associated with investment decisions on development schemes, the asset management strategy and carbon reduction strategy, the customer offer, obligations under regulation and legislation, and also maintaining sufficient financial capacity and headroom. In general, the Group has a low level of appetite for risks that would impact our record on areas such as regulatory compliance, health and safety, the provision of services to tenants and leaseholders and reputational damage. We have a higher level of risk appetite for development and strategic asset management, technology, value for money, people & culture, and transformation. This will be balanced against ensuring an acceptable level of reward for the risk accepted and that the controls in place will manage these risks.

Risk-based stress testing is crucially important to the organisation's understanding of risk and a range of sensitivities and stress tests are applied to the Business Plan, for example how the impact of changes to inflation, interest rates or a sharp drop in income might affect the future viability of the Group. The Board have also reviewed a number of multivariate stress tests based on the simultaneous crystallisation of risks from the strategic risk register. Annually the Board reviews the actions Board would take in the event of a significant financial shock to the organisation, noting that these actions are different depending on the nature of the issue.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

The principal risks and uncertainties currently facing the Group are detailed in the following table:

Risk	Impacts	Key Controls and Assurance
Data Accuracy and Cyber Risks	Loss of data, loss of systems accessibility, Poor service provision based on inaccurate data	<ul style="list-style-type: none"> IT System controls External penetration testing Mandatory annual GDPR/e-learning for all staff including focus on remote working risk Rollout of software to reduce data leakage risk Phishing simulation and e-learning system introduced Board approved Data Strategy
External Environment impacts on Business Plan assumptions and Financial Viability - Budget pressures, inflation and cost increases, future funding requirements Failure to achieve value for money	Breach of loan covenants Inability to deliver property investment or development programme Reduction in services	<ul style="list-style-type: none"> Financial Reporting to Board Value for Money Strategy External review of Treasury Strategy Horizon scanning Stress testing and mitigation plans reviewed by Board
Reputational damage Failures in service delivery that lead to media interest/reputational damage	Resources used to manage/repair reputation Loss of confidence of funders, partners, stakeholders, customers	<ul style="list-style-type: none"> Performance Reporting to board Asset Investment programme & tenancy audits Communications & PR Team Board oversight and reporting to Board
Customer Safety - Building Safety Asset Health & Safety Compliance Safeguarding	Serious injury/death Loss of property stock	<ul style="list-style-type: none"> Policy framework and management reporting framework ISO 45001 accreditation Regular Board and Committee reporting and oversight Health & Safety Committee oversight Dedicated specialist personnel in these functions Updated Fire Risk Assessments and planned implementation of recommendations Third party compliance testing and auditing
Quality of Homes - Stock not meeting Decent Homes Standard Meeting carbon net zero targets	Poor living environment for customers, damp & mould, poor quality of estates Reputational Damage	<ul style="list-style-type: none"> Asset Management Strategy Stock condition survey of all stock every five years with investment works scheduled to ensure continued compliance with Decent Homes Standard Tenancy Audit Team Damp & Mould Policy and performance reporting to Board Carbon Reduction Strategy approved by Board Strategic asset reviews based on external housing asset performance assessment
Service Delivery - Services not meeting diverse needs of customers	Failing levels of customer satisfaction Breach of Consumer Standards	<ul style="list-style-type: none"> Community & Neighbourhood Development Strategy Living and Ageing Well Strategy

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

		<ul style="list-style-type: none">• Regular performance reporting to Customer Experience Committee and Board• Customer First programme• External reviews of consumer standard compliance• Transformation Programme delivering programme of service improvement and change projects• Living Well fund providing additional financial support for tenants
--	--	---

Approved by



Simon Morris
Executive Director of Finance
29 July 2024

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Opinion

We have audited the financial statements of Wythenshawe Community Housing Group Limited (the "Parent Association") and its subsidiaries (the "Group") for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

provider in England together with the Housing SORP, along with the Companies Act 2006 . We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and Parent Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and Parent Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

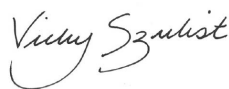
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Group and Parent Association and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Vicky Szulist

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

26 September 2024

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

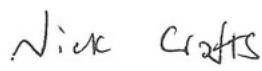
Consolidated Statement of Comprehensive Income- Group for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Turnover	3	80,330	70,012
Cost of sales	3	(6,237)	(2,123)
Operating costs	3	(60,185)	(57,346)
Movement in fair value of investment properties	3	856	102
Surplus on sale of fixed assets – housing properties	6	1,915	5,319
		<hr/>	<hr/>
Operating surplus		16,679	15,964
Movement in fair value of financial instruments	25	89	1,470
Interest receivable and other income	7	974	614
Interest payable and similar charges	8		
- Loan interest		(3,548)	(4,160)
- Non utilisation fees		(200)	(200)
Other finance charges	31	1,617	(436)
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		15,611	13,252
Tax on surplus on ordinary activities	11	18	-
		<hr/>	<hr/>
Surplus for the financial year		15,629	13,252
Actuarial gain/(loss) in respect of pension schemes	31	6,335	17,288
		<hr/>	<hr/>
Total comprehensive income for the year		21,964	30,540

The operating surplus for the year arises from the Group's continuing operations.

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2024 and are signed on its behalf by:



Nick Crofts
Chair of the Board



Anthony Bell
Chair of Audit & Risk



Simon Morris
Secretary

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Statement of Comprehensive Income - Association for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Turnover	3	81,103	70,206
Cost of sales	3	(5,610)	(2,296)
Operating costs	3	(61,469)	(57,346)
Movement in fair value of investment properties	3	856	102
Surplus on sale of fixed assets – housing properties	6	1,915	5,319
		<hr/>	<hr/>
Operating surplus		16,795	15,985
Movement in fair value of financial instruments	25	89	1,470
Interest receivable and other income	7	886	638
Interest payable and similar charges	8		
- Loan interest		(3,548)	(4,160)
- Non utilisation fees		(200)	(200)
Other finance charges	31	1,617	(436)
Gift Aid		44	-
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		15,683	13,297
Tax on surplus on ordinary activities	11	-	-
		<hr/>	<hr/>
Surplus for the financial year		15,683	13,297
Actuarial gain/(loss) in respect of pension schemes	31	6,335	17,288
		<hr/>	<hr/>
Total comprehensive income for the year		22,018	30,585
		<hr/> <hr/>	<hr/> <hr/>

The operating surplus for the year arises from the Group's continuing operations.

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2024 and are signed on its behalf by:



Nick Crofts
Chair of the Board



Anthony Bell
Chair of Audit & Risk



Simon Morris
Secretary

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Consolidated Statement of Changes in Reserves - Group for the year ended 31 March 2024

	Income and expenditure reserve £000	Restricted reserve £000	Revaluation reserve £000	Total £000
Balance at 1 April 2022	168,843	-	73,663	242,506
Surplus for the year	13,252	-	-	13,252
Other comprehensive income for the year	17,288	-	-	17,288
Transfer from revaluation reserve to income and expenditure reserves	3,914	-	(3,914)	-
Balance at 1 April 2023	203,297		69,749	273,046
Surplus for the year	15,628	-	-	15,628
Other comprehensive income for the year	(1,436)	-	-	(1,436)
Transfer from revaluation reserve to income and expenditure reserves	3,781	-	(3,781)	-
Balances at 31 March 2024	221,270	-	65,968	287,238

The accompanying notes form part of these financial statements.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Statement of Changes in Reserves - Association for the year ended 31 March 2024

	Income and expenditure reserve £000	Restricted reserve £000	Revaluation reserve £000	Total £000
Balance at 1 April 2022	168,942	-	73,663	242,605
Surplus for the year	13,297	-	-	13,297
Other comprehensive income for the year	17,288	-	-	17,288
Transfer from revaluation reserve to income and expenditure reserves	3,914	-	(3,914)	-
Balance at 1 April 2023	203,441	-	69,749	273,190
Surplus for the year	15,683	-	-	15,683
Other comprehensive income for the year	(1,436)	-	-	(1,436)
Transfer from revaluation reserve to income and expenditure reserves	3,781	-	(3,781)	-
Balances at 31 March 2024	221,469	-	65,968	287,437

The accompanying notes form part of these financial statements.

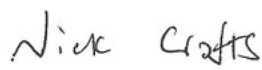
WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Consolidated Statement of Financial Position - Group as at 31 March 2024

	Note	2024 £000	2023 £000
Intangible fixed assets	12	211	138
Tangible fixed assets			
Housing properties	13	391,780	363,127
Other tangible fixed assets	14	9,047	8,658
Investment Properties	15	20,244	14,476
Investment in Joint Venture	17	2,261	1,023
Investment	18	20	20
Total fixed assets		423,563	387,442
Current assets			
Properties for sale	19	5,601	1,800
Stock	20	190	175
Debtors	21	6,713	4,712
Cash and cash equivalents		9,304	35,077
		21,808	41,764
Creditors: Amounts falling due within one year	23	(13,161)	(12,697)
Net current assets		8,647	29,068
Total assets less current liabilities		432,210	416,510
Creditors: amounts falling due after more than one year	24	144,971	139,519
Provisions for liabilities:			
Defined benefit pension liability	31	-	-
Other provisions	32	-	3,945
		144,971	143,464
Total net assets		287,238	273,046
Capital and reserves			
Non-Equity share capital	33	-	-
Revenue reserve	34	221,270	203,297
Revaluation reserve	35	65,968	69,749
		287,238	273,046

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2024 and are signed on its behalf by:



Nick Crofts
Chair of the Board



Anthony Bell
Chair of Audit & Risk



Simon Morris
Secretary

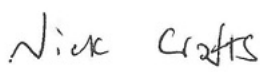
WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Statement of Financial Position – Association as at 31 March 2024

	Note	2024 £000	2023 £000
Intangible fixed assets	12	211	138
Tangible fixed assets			
Housing properties	13	392,010	363,276
Other tangible fixed assets	14	9,047	8,658
Investment Properties	15	20,244	14,476
Investment	18	20	20
Total fixed assets		421,532	386,568
Current assets			
Properties for sale	19	5,615	1,809
Stock	20	190	175
Debtors	21	6,510	4,712
Cash and cash equivalents		9,202	34,924
		21,517	41,620
Debtors: Amounts falling due after more than one year	22	2,553	1,112
Creditors: Amounts falling due within one year	23	(13,194)	(12,646)
Net current assets		10,876	30,086
Total assets less current liabilities		432,408	416,654
Creditors: amounts falling due after more than one year	24	144,971	139,519
Provisions for liabilities:			
Defined benefit pension liability	31	-	-
Other provisions	32	-	3,945
		144,971	143,464
Total net assets		287,437	273,190
Capital and reserves			
Non-Equity share capital	33	-	-
Revenue reserve	34	221,469	203,441
Revaluation reserve	35	65,968	69,749
		287,437	273,190

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2024 and are signed on its behalf by:



Nick Crofts
Chair of the Board



Anthony Bell
Chair of Audit & Risk



Simon Morris
Secretary

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Consolidated Statement of Cash Flows for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Net cash inflow from operating activities	36	21,517	23,622
Cash flow from investing activities			
Purchase and construction of housing properties	13	(39,354)	(27,283)
Purchase of tangible fixed assets	14	(882)	(483)
Purchase of intangible fixed assets	12	-	-
Purchase of investment properties	15	(5,115)	(2,976)
Proceeds from sale of housing properties	6	2,633	7,252
Interest received		1,034	532
		(41,684)	(22,958)
Cash flow from financing activities			
Interest paid		(4,368)	(4,292)
Investment in Joint Venture	17	(1,238)	(256)
Investment in Money Market		-	8,000
		(5,606)	3,452
Net change in cash		(25,773)	4,116
Cash at beginning of the year		35,077	30,961
Cash at the end of the year		9,304	35,077

The accompanying notes form part of these financial statements.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Notes to the Financial Statements for the year ended 31 March 2024

1. Legal status

Wythenshawe Community Housing Group Limited is registered under the Co-operative and Community Benefit Society Act 2014 and is a registered provider of social housing.

Wythenshawe Community Housing Group Limited has two subsidiaries; Garden City Design & Build Limited and Garden City Trading Limited. Both are these are registered under the Companies Act and develop new affordable and commercial housing respectively.

The Group's registered office is Wythenshawe House, 8 Poundswick Lane, Manchester, M22 9TA.

2. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers (Housing SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

In preparing the individual financial statements of the parent association, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent association's financial instruments (including categories of financial instruments; items of income, expenses, gains or losses relating to financial instruments; and the exposure to and management of risk) have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;

The Group's financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE). The financial statements are presented in sterling (£).

Going concern

The assessment of the significant risks faced by the Group is considered in various sections of this annual report. The results of this analysis, combined with satisfactory VFM metrics, good asset values and significant headroom in loan covenants, has led to the Board's judgement that WCHG has a financially robust long-term Business Plan, including potential mitigations which indicate sufficient resilience to respond to different stress testing scenarios. Overall this demonstrates WCHG's ability to remain financially viable.

The Board therefore has a reasonable expectation that the WCHG has adequate resources to continue in operational existence for the foreseeable future, being a period not less than twelve months after the date on which this annual report and financial statements are approved. For this reason, the Board continues to adopt the going concern basis in the financial statements. In reaching this view the Board has fully appraised the changing business environment facing WCHG, it has considered the financial projections set out in the long-term Business Plan, the results of stress tests and assessed the strategic risks faced and the means available to it to mitigate these risks.

Significant judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Significant management judgements

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

- i. **Capitalisation of property development costs** - the Group capitalises development expenditure in accordance with the accounting policy set out in the notes to these financial statements. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- ii. **Categorisation of housing properties** - the Group has undertaken a review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.
- iii. **Classification of loans** – the Group has reviewed the terms of loan agreements in accordance with the requirements of FRS 102. Following this it has been concluded that there is a £7m fixed rate loan within WCHG that has a callable option on it (details within note 25) and therefore is classified as non-basic with the fair value adjustment being recognised through the statement of comprehensive income. All other loans are considered basic and are held at amortised cost.
- iv. **Impairment** - As part of the Group's continuous review of the performance of assets, management identify any homes, or schemes, that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.
- v. **Fire safety provision** – A capital provision of £9.399m was recognised at 31 March 2021 in accordance with the relevant accounting standards, as a result of a significant amount of fire safety works that were required to be completed over a four-year period from April 2021. The works included the replacement of doors and external panels across the stock to bring them in line with current fire standards. During the year the remaining £3.945m (2022/23 £3.933m) was spent on these works. The relevant estimation uncertainties are detailed in the section below.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below:

- i. **Tangible fixed assets** – other than investment properties, tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles, maintenance programmes and any changes to the Decent Homes Standard (which may require more frequent replacement of key components) are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- ii. **Revaluation of investment properties** - the Group carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Group engages independent valuation specialists to determine fair value at each year end. The valuer uses a valuation technique based on an open market basis. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in Note 15.
- iii. **Pension and other post-employment benefits** - the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 31. The liability as at 31 March 2024 was £nil.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- iv. **Fair value measurement** – Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices. Fair value measurements have been applied to a £7m fixed rate loan which has an option in the year 2025, the total value of this instrument was £7,561k at 31 March 2024 (2023: £7,650k). The movement in the fair value of financial instruments recognised in the Statement of Comprehensive Income for the year is £89k (2023: £1,470k)
- v. **Bad Debts and Write Offs** - The Group provides against general debtors and rent arrears of current and former tenants to the extent that they are considered to be irrecoverable. An estimation of rent arrears that will not be recovered is made on the following basis:
- | | | |
|------------------|---------------------------|------|
| Current tenants: | Arrears of up to 4 weeks | 0% |
| | Arrears of 4 to 13 weeks | 10% |
| | Arrears of 13 to 26 weeks | 25% |
| | Arrears of 26 to 39 weeks | 50% |
| | Arrears of 39 to 52 weeks | 75% |
| | Arrears over 52 weeks | 95% |
| Former tenants: | All arrears | 100% |
- vi. **Fire safety provision** – In relation to the provision for £9.399m for fire safety works included under significant management judgements above, the remainder of the provision of £3.945m was released during the year relating to spend on external panels and fire doors.
- vii. **Fire safety depreciation**- Those components which will be replaced early as a result of future fire safety work have had their useful economic life reduced. A plan of works has been used to judge when the component will be replaced to therefore assess the expected life of the asset. Secondly, management judgement has been used to calculate the proportion of the structure of the tower blocks that will be replaced in the process. This has been carried out on an individual tower block basis.

Consolidation

The consolidated financial statements incorporate the results of Wythenshawe Community Housing Group Limited and its subsidiary undertakings as at 31 March 2024.

Turnover and revenue recognition

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale, support services, other services provided at the invoice value (excluding output VAT where chargeable) and revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Revenue from non-social housing (mainly community centre activities) is recognised on receipt of takings.

Gift Aid

Donations received under the Gift Aid scheme to the parent company, from its subsidiaries are recognised in the SOCI, as it relates to the principal activities of the association, and are eliminated on consolidation.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in The Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group is registered for VAT. A large proportion of its income, including rents and service charges, is exempt from VAT. The majority of expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Partial exemption has been obtained for some business activities and any VAT recovered through partial exemption rules is credited to the Statement of Comprehensive Income. The balances of VAT payable and recoverable at year-end are included as a current liability and/or asset.

Interest Payable

Interest payable includes non-utilisation fees and is charged to the Statement of Comprehensive Income in the period.

Interest is capitalised on borrowings related to the development of qualifying assets, to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme after deduction of related grants received in advance.

Interest Receivable

Interest receivable includes interest earned from bank and deposit accounts and is recognised in the Statement of Comprehensive Income in the period it is received.

Employee Benefits

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

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Pensions

The Group participates in the Greater Manchester Pension Fund (GMPF), a multi-employer defined benefits scheme. The assets of the scheme are held separately from those of the Group.

For the GMPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in the Statement of Comprehensive Income.

The Group also operates a defined contribution pension scheme. Contributions to the scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

Intangible Fixed Assets

Intangible fixed assets represent licenses in respect of telecommunications masts purchased from Manchester City Council as part of the transfer and other purchased software licences. These are carried at cost less accumulated amortisation and impairment losses.

The telecommunications licenses were amortised over 10 years and are now fully amortised.

Amortisation is charged on a straight-line basis over the expected useful life of the software.

Loan Arrangement Fees

Loan arrangement fees are capitalised and depreciated over the life of the loan.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS102 are accounted for under the amortised historical cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the Statement of Income (unless hedge accounting is applied).

The Group has not applied hedge accounting.

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and shared ownership.

The Group elected to apply deemed cost to properties held at the date of transition to FRS 102 (1 April 2014). Since this date housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings and development costs incurred during the development period.

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

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset,

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

Properties for Sale

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

At each reporting date, properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Investment property

Investment property includes market rent and other properties not held for the social benefit of the Group or for use in the business. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Investment in subsidiaries

Investment in subsidiaries are accounted for at cost less impairment.

Investment in jointly controlled entities

Investment in jointly controlled entities are held at cost less impairment. The Group has investments in GMJV Fundco LLP and JV North.

Government Grants

Government grants include grants receivable from Homes England (and its predecessor organisations), local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model. The Group has taken advantage of transitional relief for deemed cost and as such grant up to date of transition has been treated under the performance model with subsequent grants treated under the accruals model.

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

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

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

Upon disposal of the associated property, the Group is required to recycle grant proceeds and recognise them as a liability.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Other grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised as revenue when the grant proceeds are received or receivable. Where grant is received with specific performance-related requirements it is recognised as a liability until the conditions are met and then it is recognised as revenue.

Depreciation of housing properties

No depreciation is provided on freehold land, or assets under construction.

Major components are treated as separable assets and depreciated over the expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates, on a straight-line basis:

Structure	100 years
Roof	70 years
Wiring	40 years
Walkways	40 years
Balconies	40 years
Fire Detectors	40 years
Sprinklers	40 years
Canopies	35 years
Doors	35 years
Windows	30 years
Consumer Units (Electrical CU)	30 years
Central Heating	30 years
Bathrooms	30 years
Structural Additions	30 years
Surge Protection	30 years
DSWC Additional Toilet	30 years
PV Panels	20 years
Kitchens	20 years
Flat Roofs Multistoreys	20 years
Boilers	15 years

Accelerated depreciation on disposal of components, presented in Note 3 is a result of components being renewed or replaced before the end of the expected useful economic life.

Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Other fixed assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down is charged to the Statement of Comprehensive Income.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis, at rates considered appropriate to write them down to their estimated residual value over their expected useful lives as follows:

Freehold buildings	2%-4%
Long leasehold property	Over life of lease
Furniture, fixtures and fittings	10%
Computers and office equipment	25%
Motor vehicles	20%
Plant and machinery	20%
CCTV	20%

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

Stock

Stock relates to items that are held in Wythenshawe Works vans. These items are included in the accounts at the lower of cost and estimated net realisable value.

Short-term debtors and creditors

Short term debtors are measured at transaction price, less any impairment.

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

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

Leases

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

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

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

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Holiday pay accrual

The Group recognises an accrual for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Intra-Group Recharges

Costs are incurred by the Parent organisation, Wythenshawe Community Housing Group Limited, and a percentage is charged to Garden City Design & Build Limited (GCDB) and Garden City Trading Limited (GCT) in accordance with the intra group agreement. Such costs are recognised by GCDB and GCT on notification from Wythenshawe Community Housing Group Limited.

Sinking funds – service charges

The Group operates primarily variable service charges on a scheme-by-scheme basis. Service charges on all schemes are set on the basis of budgets. Where variable service charges are used for social rented properties, the budget will include an allowance for the surplus or deficit from prior years, with a surplus being returned to residents in the form of a reduced charge for the year and a deficit being recovered via a higher service charge. Charges made to leaseholders for the replacement of equipment and major repairs within the estates are held in sinking funds in a separate bank account which are ring-fenced for use on those estates. Such sinking funds are disclosed on the balance sheet as creditors.

Provisions for liabilities

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

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

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

The provision in Note 32 represents the planned fire safety works over 4 years from April 2021. The works included the replacement of doors and external panels across the stock to bring them in line with current fire standards. Of the original provision of £9,399k, £9,301k was capital expenditure and £98k was revenue expenditure recognised through the Statement of Comprehensive Income. During the year 2023/24 £3.9m has been spent on these works and the reserve has been reduced to zero.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions and designated reserves where reserves are earmarked for a particular purpose.

Revaluation Reserve

The difference on transition between the valuation of housing properties and the historical cost carrying value is credited to the Revaluation Reserve.

Each year an element is transferred to reserves, being the depreciation charge in respect of the revaluation uplift of the asset.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

3. Turnover, cost of sales, operating costs and operating surplus Continuing activities – Group

	2024					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
Social housing activities						
Income & expenditure from lettings	71,950	-	-	-	(60,011)	11,939
Other social housing activities						
First Tranche shared ownership sales	5,350	-	-	(4,541)	-	809
Other	174	-	-	-	(174)	-
Non-social housing activities						
Other	2,856	-	-	(1,696)	-	1,160
Development Services	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-
Movement in fair value of investment properties (note 15)	-	-	856	-	-	856
Surplus on sales of fixed assets - housing properties (note 6)	-	1,915	-	-	-	1,915
Total	80,330	1,915	856	(6,237)	(60,185)	16,679

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

	2023					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
Social housing activities						
Income & expenditure from lettings	66,974	-	-	-	(57,234)	9,741
Other social housing activities						
First Tranche shared ownership sales	-	-	-	(113)	-	(113)
Other	112	-	-	-	(112)	0
Non-social housing activities						
Other	2,926	-	-	(2,010)	-	916
Movement in fair value of investment properties (note 15)						
	-	-	102	-	-	102
Surplus on sales of fixed assets - housing properties (note 6)						
	-	5,319	-	-	-	5,319
Total	70,012	5,319	102	(2,123)	(57,346)	15,965

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Continuing activities – Association

	2024					
	Turnover	Sale on surplus of	Fair value	Cost of Sales	Operating	Operating
	£000	housing properties	movement	£000	Costs	Surplus
	£000	£000	£000	£000	£000	£000
Social housing activities						
Income & expenditure from lettings	71,949	-	-	-	(61,298)	10,651
Other social housing activities						
First Tranche shared ownership sales	5,350	-	-	(4,541)	-	809
Other	174				(174)	0
Non social housing activities						
Other	2,856	-	-	(1,696)	-	1,160
Development Services	708	-	-	674	-	1,382
Corporate Services	65	-	-	(47)	-	18
Movement in fair value of investment properties (note 15)	-	-	856	-	-	856
Surplus on sales of fixed assets - housing properties (note 6)	-	1,915	-	-	-	1,915
Total	81,102	1,915	856	(5,610)	(61,472)	16,791

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

	2023					
	Turnover	Sale on surplus of housing properties	Fair value movement	Cost of Sales	Operating Costs	Operating Surplus
	£000	£000	£000	£000	£000	£000
Social housing activities						
Income & expenditure from lettings	66,974	-	-	-	(57,234)	9,740
Other social housing activities						
First Tranche shared ownership sales	-	-	-	(113)	-	(113)
Other	112	-	-	-	(112)	-
Non-social housing activities						
Other	2,641	-	-	(1,739)	-	902
Development Services	420	-	-	(400)	-	20
Corporate Services	59	-	-	(44)	-	15
Movement in fair value of investment properties (note 15)	-	-	102	-	-	102
Surplus on sales of fixed assets - housing properties (note 6)	-	5,319	-	-	-	5,319
Total	70,206	5,319	102	(2,296)	(57,346)	15,985

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings – Group

	2024			2023		
	General Housing £000	Supported Housing £000	Total £000	General Housing £000	Supported Housing £000	Total £000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	66,810	1,037	67,847	62,210	1,037	63,247
Service charges receivable	920	267	1,187	757	267	1,024
Net rental income	67,730	1,304	69,034	62,967	1,304	64,271
VAT shelter income	41	-	41	307	-	307
Amortised government grants	231	-	231	229	-	229
Government grants	-	-	-	-	-	-
Other revenue grants	2,519	29	2,548	2,059	16	2,075
Other income	74	22	96	75	16	92
Turnover from social housing lettings	70,595	1,355	71,950	65,637	1,336	66,974
Expenditure on social housing lettings						
Management	(17,929)	(243)	(18,172)	(17,618)	(241)	(17,858)
Services	(5,299)	(794)	(6,093)	(5,188)	(763)	(5,951)
Routine maintenance	(11,490)	(156)	(11,646)	(11,103)	(152)	(11,254)
Planned maintenance	(3,848)	(52)	(3,900)	(4,103)	(56)	(4,159)
Major repairs expenditure	(8,059)	(109)	(8,168)	(6,427)	(88)	(6,515)
Other social housing expenditure	(1,143)	(16)	(1,159)	(1,220)	(17)	(1,237)
Bad Debts	(309)	(4)	(313)	(202)	(3)	(205)
Depreciation and amortisation charges	(9,710)	(132)	(9,842)	(9,209)	(126)	(9,335)
Accelerated depreciation on disposal of components	(719)	-	(719)	(719)	-	(719)
Operating costs on social housing lettings	(58,506)	(1,506)	(60,012)	(55,789)	(1,446)	(57,233)
Operating surplus on social housing lettings	12,089	(151)	11,938	9,849	(110)	9,741

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings – Association

	2024			2023		
	General Housing £000	Supported Housing £000	Total £000	General Housing £000	Supported Housing £000	Total £000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	66,742	1,104	67,846	62,144	1,104	63,248
Service charges receivable	828	360	1,188	664	360	1,024
Net rental income	67,570	1,464	69,034	62,808	1,464	64,272
VAT shelter income	41	-	41	307	-	307
Amortised government grants	231	-	231	229	-	229
Government grants	-	-	-	-	-	-
Other revenue grants	2,519	29	2,548	2,059	16	2,075
Other income	74	22	96	75	16	91
Turnover from social housing lettings	70,435	1,515	71,950	65,478	1,496	66,974
Expenditure on social housing lettings						
Management	(17,835)	(242)	(18,077)	(17,587)	(241)	(17,828)
Services	(5,298)	(794)	(6,092)	(5,187)	(763)	(5,950)
Routine maintenance	(11,489)	(156)	(11,645)	(11,102)	(152)	(11,254)
Planned maintenance	(3,848)	(52)	(3,900)	(4,103)	(56)	(4,159)
Major repairs expenditure	(9,422)	(128)	(9,550)	(6,460)	(88)	(6,548)
Other social housing expenditure	(1,143)	(16)	(1,159)	(1,220)	(17)	(1,237)
Bad Debts	(309)	(4)	(313)	(202)	(3)	(204)
Depreciation and amortisation charges	(9,710)	(132)	(9,842)	(9,209)	(126)	(9,335)
Impairment losses	-	-	-	-	-	-
Accelerated depreciation on disposal of components	(719)	-	(719)	(719)	-	(719)
Operating costs on social housing lettings	(59,773)	(1,524)	(61,297)	(55,788)	(1,446)	(57,234)
Operating surplus on social housing lettings	10,662	(9)	10,653	9,689	50	9,740

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

3b. Particulars of turnover from non-social housing lettings

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Proceeds from sale of non-social housing units	1	285	-	-
Enterprise Centre	16	120	16	120
Active Lifestyle Centre	637	658	638	658
Motiv8	73	292	73	292
Young Manchester	250	241	250	241
Women of Wythenshawe	158	57	158	57
Support to Succeed	23	-	23	-
Village 135 - Bistro	41	50	41	50
CCTV	27	(10)	27	(10)
Market rent	757	654	757	654
Garage rent	122	114	122	114
Ground rent	5	5	5	5
Telecom masts	137	105	137	105
Solar panels	203	54	203	54
Rechargeable repairs	48	32	48	32
Other income	358	268	358	268
Development Services	-	-	708	420
Corporate Services	-	-	65	59
	2,856	2,926	3,629	3,119

4. Accommodation in management and development – Group & Association

At the end of the period, accommodation in management for each class of expenditure was as follows:

	2024 Units	2023 Units
General needs housing – social rent	12,367	12,389
- affordable rent	839	751
Supported housing - social rent	85	85
Supported housing - affordable rent	100	100
Rent To Buy	38	38
Market rent	78	62
Market rent - Step Down	5	5
Shared ownership	301	264
Total units owned and managed	13,813	13,694
Developed in the period	70	38
Acquired in the period	71	6
Right to Buys in the period	(8)	(32)
Right to Acquires in the period	(7)	(20)
Full staircasing	(7)	(11)
Outright Sales sold	-	(1)
Movement in period	119	(20)
Accommodation in development at the period end	504	367

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

5. Operating surplus

This is arrived at after charging:

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Depreciation of housing properties	9,207	8,763	9207	8,763
Accelerated depreciation on disposal of components	786	719	786	719
Depreciation of tangible fixed assets - other	494	485	494	485
Amortisation of intangible fixed assets	72	91	72	91
Amortisation of finance charges	28	28	28	28
Operating lease rentals				
- vehicles	441	435	441	435
- office equipment	18	20	18	20
External Auditors' remuneration (excluding VAT)				
- fees payable to the Group's auditors for the financial statements audit	45	45	45	45
- Audit of the accounts of subsidiaries	12	12	-	-
- Other services – tax compliance	7	7	4	4
- tax advisory	10	10	10	10
	<u>9,207</u>	<u>8,763</u>	<u>9,207</u>	<u>8,763</u>

6. Surplus on sale of fixed assets – housing properties – Group & Association

	2024 £000	2023 £000
Proceeds from disposals of housing properties	2,717	7,368
Carrying value of fixed assets	(718)	(1,933)
Other costs of sales	(84)	(116)
Surplus on sale of fixed assets	<u>1,915</u>	<u>5,319</u>

7. Interest receivable and other income

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Interest receivable and similar income	974	614	886	638
	<u>974</u>	<u>614</u>	<u>886</u>	<u>638</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

8. Interest payable and similar charges

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Loan interest	4,413	4,353	4,413	4,353
Capitalised Interest	(865)	(193)	(865)	(193)
Non-utilisation fees	200	200	200	200
	<u>3,748</u>	<u>4,360</u>	<u>3,748</u>	<u>4,360</u>

The non-utilisation fees figure remains static as there have been no drawdowns during the year.

9. Employees – Group & Association

The average number of persons employed during the period was:

	2024 Average Number	2023 Average Number
Administration	115	103
Asset Management & Development	208	201
Customers & Communities	168	172
Board & Committee	12	10
	<u>503</u>	<u>486</u>

The average number of people employed during the period expressed as full-time equivalents was:

	2024 Average FTEs	2023 Average FTEs
Administration	111	99
Asset Management & Development	207	199
Customers & Communities	146	148
Board & Committee	2	10
	<u>466</u>	<u>456</u>

Full time equivalents are calculated based on a standard working week of 35 hours.

Staff costs for the above persons:

	2024 £000	2023 £000
Administration	6,605	5,914
Asset Management & Development	9,421	8,561
Customers & Communities	5,574	5,698
Board & Committee	114	94
	<u>21,714</u>	<u>20,267</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Employee costs:

	2024	2023
	£000	£000
Wages and salaries	17,650	16,207
Social security costs	1,731	1,641
Other pension costs	2,333	2,419
	<u>21,714</u>	<u>20,267</u>

A proportion of the Group's employees are members of the Greater Manchester Pension Fund (GMPF), which closed to new employees on 31 March 2018. Further information on the scheme is given in Note 31.

From 1 April 2019, new employees of the Group were only eligible to become members of the NEST defined contribution pension scheme. For the year ended 31 March 2024 the contributions paid by the Group into the scheme were £649,066 (2023: £480,802).

During the year there was £8.6k paid in terms of redundancy in relation to the closure of The Enterprise Centre. (2023: £11k relating to the Motiv8 team) .

10. Directors' emoluments

The aggregate remuneration for key management personnel, which includes Executive Directors and Board members, in the year is:

	2024	2023
	£000	£000
Basic salary	903	853
Benefits in kind	60	60
Employers NI contributions	107	111
Pension contributions	99	101
	<u>1,169</u>	<u>1,125</u>

The above total includes remuneration paid to Board members of £114k (2023: £95k). Expenses paid to Board members in the year amounted to £1k (2023: £1k)

The aggregate remuneration for key personnel is equivalent to £85 per social housing unit.

	2024	2023
	£000	£000
Emoluments of the highest paid Director, excluding pension costs	175	170
Pension costs of highest paid Director	12	12
Benefits in kind of highest paid Director	10	10

The emoluments of the highest paid Director are equivalent to £12.75 per social housing unit

The Group Chief Executive is a member of the defined contribution pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Group does not make any further contribution to an individual pension arrangement for the Group Chief Executive.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Salary bandings for all FTE employees (including employer pensions), including Executive Directors, earning over £60,000:

	2024	2023
	Number	Number
£60,000 to £70,000	21	8
£70,000 to £80,000	9	4
£80,000 to £90,000	4	5
£90,000 to £100,000	-	4
£100,000 to £110,000	3	2
£110,000 to £120,000	2	-
£120,000 to £130,000	-	-
£130,000 to £140,000	1	-
£140,000 to £150,000	2	3
£150,000 to £160,000	1	2
£160,000 to £170,000	1	-
£170,000 to £180,000	-	-
£180,000 to £190,000	-	-
£190,000 and over	1	1

11. Taxation on surplus from ordinary activities

	Group		Association	
	2024	2023	2024	2023
	£000	£000	£000	£000
Current taxation reconciliation				
Surplus on ordinary activities before taxation	<u>15,611</u>	<u>13,252</u>	<u>15,683</u>	<u>13,297</u>
Theoretical tax at UK corporation tax rate 25% (2023: 19%)	3,903	2,518	3,921	2,526
Effects of:				
- income not subject to corporation tax	(3,492)	(2,534)	(3,492)	(2,546)
- remeasurement of deferred tax for changes in tax	-	(5)	-	(6)
- deferred tax not recognised	(429)	21	(429)	26
Current taxation charge (refund)	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>-</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

12. Intangible fixed assets Group and Association

	Telecom Licences £000	Software Licences £000	Total £000
Cost			
At 1 April 2023	249	630	879
Additions	-	145	145
At 31 March 2024	<u>249</u>	<u>775</u>	<u>1,024</u>
Amortisation			
At 1 April 2023	249	492	741
Charge for year	-	72	72
At 31 March 2024	<u>249</u>	<u>564</u>	<u>813</u>
Net book value			
At 31 March 2024	<u>-</u>	<u>211</u>	<u>211</u>
At 31 March 2023	<u>-</u>	<u>138</u>	<u>138</u>

13. Tangible Fixed Assets – Housing Properties – Group

	Social housing properties held for letting £000	Properties under construction held for letting £000	Shared Ownership £000	Shared Ownership under construction £000	Solar Panels £000	Total housing properties £000
Cost						
At 1 April 2023	421,568	12,408	18,384	2,194	2,335	456,889
Additions	-	15,906	-	11,151	-	27,057
Properties acquired	-	761	-	-	-	761
Works to existing properties	13,583	79	(236)	-	-	13,426
Schemes completed	16,727	(16,727)	3,323	(3,323)	-	-
Transfers	-	(17)	(208)	(1,665)	-	(1,890)
Disposals	(396)	-	(453)	-	-	(849)
Disposals of components	(3,580)	-	-	-	-	(3,580)
At 31 March 2024	<u>447,902</u>	<u>12,410</u>	<u>20,810</u>	<u>8,357</u>	<u>2,335</u>	<u>491,814</u>
Depreciation						
At 1 April 2023	91,039	-	1,436	-	1,287	93,762
Charge for year	8,777	-	313	-	117	9,207
Transfers	-	-	(1)	-	-	(1)
Released on disposal	(92)	-	(48)	-	-	(140)
Disposal of components	(2,794)	-	-	-	-	(2,794)
At 31 March 2024	<u>96,930</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>1,404</u>	<u>100,034</u>
Net book value						
At 31 March 2024	<u>350,972</u>	<u>12,410</u>	<u>19,110</u>	<u>8,357</u>	<u>931</u>	<u>391,780</u>
At 31 March 2023	<u>330,529</u>	<u>12,408</u>	<u>16,948</u>	<u>2,194</u>	<u>1,048</u>	<u>363,127</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

13. Tangible Fixed Assets – housing properties - Group (continued)

Expenditure on works to existing properties:

	2024 £000	2023 £000
Improvement works capitalised	13,426	15,454
Amounts charged to income and expenditure account	8,169	6,516
Total	<u>21,595</u>	<u>21,970</u>

An independent valuation was carried out on the Group's housing properties by Savills (UK) Limited as at the 31 March 2014. This value was used as the 'deemed cost' during the transition to FRS 102. This added £64.9m to the balance sheet. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors as follows:

- i. £308 million Existing Use Value: Social Housing.
- ii. £355 million Assuming the sale of vacant properties as they arise

In valuing housing properties at 31 March 2014, discounted cash flow methodology was adopted with key assumptions including:

Discount rate	6.25%
Annual inflation rate	2.5% for year 1 2.25% for year 2 2% thereafter
Level of annual rent increase	CPI plus 1%

The carrying value of the housing properties that would have been included in the financial statements had the assets been carried at historical cost less SHG and depreciation is as follows:

	2024 £000	2023 £000
Historical cost	426,851	391,926
Depreciation and impairment	(141,322)	(135,050)
	<u>285,529</u>	<u>256,876</u>

Social housing assistance

	2024 £000	2023 £000
Total accumulated SHG receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	64,739	64,507
Held as deferred income	33,698	28,183
	<u>98,437</u>	<u>92,690</u>

Housing properties book value, net of depreciation comprises:

	2024 £000	2023 £000
Freehold land and buildings	391,780	363,127
	<u>391,780</u>	<u>363,127</u>

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. No impairment charge has been made this year

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Finance Costs

The Group capitalises finance costs at the effective interest rate of 3.92%. Total capitalised interest for year was £865k (2023: £193k).

13. Tangible fixed assets – Housing Properties (continued) - Association

	Social housing properties held for letting	Properties under construction held for letting	Shared Ownership	Shared Ownership under construction	Solar Panel	Total housing properties
	£000	£000	£000	£000	£000	£000
Cost						
At 1 April 2023	421,614	12,489	18,395	2,205	2,335	457,038
Additions	-	15,933	-	11,154	-	27,087
Properties acquired	-	761	-	-	-	761
Works to existing properties	13,618	79	(220)	-	-	13,477
Schemes completed	16,727	(16,727)	3,323	(3,323)	-	-
Transfers	-	(17)	(208)	(1,665)	-	(1,890)
Disposals	(396)	-	(453)	-	-	(849)
Disposals of components	(3,580)	-	-	-	-	(3,580)
At 31 March 2024	447,983	12,518	20,837	8,371	2,335	492,044
Depreciation						
At 1 April 2023	91,039	-	1,436	-	1,287	93,762
Charge for year	8,777	-	313	-	117	9,207
Transfers	-	-	(1)	-	-	(1)
Released on disposal	(92)	-	(48)	-	-	(140)
Disposal of components	(2,793)	-	-	-	-	(2,793)
At 31 March 2024	96,931	-	1,700	-	1,404	100,035
Net book value	330,575	12,489	16,959	2,205	1,048	363,276
At 31 March 2024	351,084	12,515	19,137	8,371	931	392,010
At 31 March 2023	330,575	12,489	16,959	2,205	1,048	363,276

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

14. Tangible Fixed Assets – Other – Group and Association

	Long Leasehold Offices £000	Freehold Land £000	Freehold Offices £000	Plant & Machinery £000	Furniture, Fixtures & Fittings - Office £000	Furniture, Fixtures & Fittings - Housing £000	Computers & Office Equipment £000	CCTV Shops and Industrial Estates £000	Total £000
Cost									
At 1 April 2023	345	372	12,811	252	955	62	3,105	1,291	19,193
Additions	-	-	451	14	202	-	216	-	883
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2024	345	372	13,262	266	1,157	62	3,321	1,291	20,076
Depreciation and Impairment									
At 1 April 2023	345	-	5,111	178	789	62	2,762	1,288	10,535
Depreciation charge for the year	-	-	230	30	29	-	204	1	494
Depreciation on disposal	-	-	-	-	-	-	-	-	-
At 31 March 2024	345	-	5,341	208	818	62	2,966	1,289	11,029
Net book value									
At 31 March 2024	-	372	7,920	58	339	-	355	2	9,047
At 31 March 2023	-	372	7,700	74	166	-	343	3	8,658

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

15. Investment properties Group and Association - non-social housing properties held for letting

	2024	2023
	£000	£000
At 1 April 2023	14,476	11,398
Additions	5,115	2,976
Disposals	(203)	-
Increase in value	856	102
At 31 March 2024	<u>20,244</u>	<u>14,476</u>

Investment properties were valued as at 31 March 2024. The Group's investment properties have been valued by Aspin & Co. Chartered Surveyors, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

The Group's investment properties have been valued at market value and a market approach was taken by way of direct comparison. Market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transactions after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

16. Investments in subsidiaries

Wythenshawe Community Housing Group Limited has two subsidiaries:

- Garden City Design & Build Limited;
- Garden City Trading Limited.

Wythenshawe Community Housing Group Limited (parent) has full control over the above subsidiaries and is the ultimate controlling party.

The principal activities for the parent and the subsidiaries are the development and management of affordable housing.

The subsidiaries are registered under the Companies Act 2006. The Parent is registered as a social landlord and a community benefit society.

17. Investment in Joint Venture

	Group		Association	
	2024	2023	2024	2023
	£000	£000	£000	£000
Investment in Joint Venture	2,261	1,023	-	-
	<u>2,261</u>	<u>1,023</u>	<u>-</u>	<u>-</u>

Garden City Trading Limited, a commercial subsidiary of the Group, is a member of a consortium of 10 Greater Manchester Registered Providers who have invested in a joint venture entity; GMJV Fundco LLP.

In turn, GMJV Fundco LLP invests in a further joint venture entity; Hive Homes LLP, set up with the Greater Manchester Combined Authority (GMCA) with the intention of increasing housing supply in the Greater Manchester region, whilst also providing a competitive return to investors.

Under the current Hive Homes LLP business plan, Garden City Trading will make investments over 10 years totalling £2.8m, which will be funded by an intra-group loan from Wythenshawe Community Housing Group. The Group's Assistant Director of Finance is WCHG's representative on the GMJV Fundco Board. The above balance reflects the total investment to date.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

18. Investment

	Group		Association	
	2024 £000	2023 £000	2023 £000	2023 £000
Investment in MORhomes PLC	20	20	20	20
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

MORhomes PLC is a borrowing vehicle within the UK social housing sector. MORhomes raises finance on the bond markets and lends on to housing associations, who must be shareholders. WCHG has not accessed any such funding as at 31 March 2024.

19. Properties for Sale

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Shared ownership properties:				
Completed properties	1,117	334	1,117	334
Work in progress	4,484	1,466	4,498	1,475
	<u>5,601</u>	<u>1,800</u>	<u>5,615</u>	<u>1,809</u>
Outright sale properties:				
Completed properties	-	-	-	-
Work in progress	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,601</u>	<u>1,800</u>	<u>5,615</u>	<u>1,809</u>

20. Stock

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Materials	190	175	190	175
	<u>190</u>	<u>175</u>	<u>190</u>	<u>175</u>

21. Debtors

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Due within one year				
Rent and service charges receivable	3,744	3,565	3,744	3,565
Less: provision for bad and doubtful debts	(1,677)	(1,732)	(1,677)	(1,732)
	<u>2,067</u>	<u>1,833</u>	<u>2,067</u>	<u>1,833</u>
Amounts owed by subsidiaries	-	-	-	-
Other debtors	2,080	808	1,896	808
Corporation tax receivable	18	-	-	-
Prepayments and accrued income	2,548	2,071	2,548	2,071
Total due within one year	<u>6,713</u>	<u>4,712</u>	<u>6,510</u>	<u>4,712</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

22. Debtors: amounts due after one year

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Due after one year				
Amounts owed by subsidiaries	-	-	2,553	1,112
Total due within one year	-	-	2,553	1,112

WCHG has lent Garden City Trading Ltd £2,552k for the investment in the Greater Manchester Joint Venture and for development of properties for Outright Sale.

The loan for the investment into GMJV Fundco LLP is repayable on the tenth anniversary of the loan agreement date, 15 April 2029, and interest is payable at a rate of 7.2%. The balance at 31 March 2024 is £2,466k (2023: £1,054k).

The loan for the development of properties for outright sale is repayable on the sale of the units. Interest is payable on this loan at a rate of 4.9%. The balance at 31 March 2024 is £86k shown as repayable within one year (2023: £58k).

The loan from Wythenshawe Community Housing Group Limited is secured by a floating charge over assets.

23. Creditors: amounts falling due within one year

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Rents and service charges received in advance	2,357	2,314	2,357	2,314
VAT	(27)	34	-	11
Trade creditors	1,276	1,445	1,276	1,445
Other creditors	31	98	31	98
Deferred grant income (Note 27)	231	229	231	229
Recycled Capital Grant Fund (Note 26)	447	361	447	361
Leaseholder sinking fund balances	1,346	1,213	1,346	1,213
Accruals and deferred income	7,500	7,003	7,506	6,975
Amounts owed to subsidiaries	-	-	-	-
	13,161	12,697	13,194	12,646

24. Creditors: amounts falling due after one year

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Housing loans net of arrangement fee (Note 25)	111,504	111,565	111,504	111,565
Deferred grant income (Note 27)	33,467	27,954	33,467	27,954
	144,971	139,519	144,971	139,519

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

25. Debt analysis

	Group		Association	
	2024	2023	2024	2023
	£000	£000	£000	£000
Due within one year				
Bank loans	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2024	2023	2024	2023
	£000	£000	£000	£000
Due after more than one year				
Other loans	90,000	90,000	90,000	90,000
Bank loans	21,000	21,000	21,000	21,000
Fair Value adjustment	89	1,470	89	1,470
	<u>111,089</u>	<u>112,470</u>	<u>111,089</u>	<u>112,470</u>

The Group's loan facilities incorporate a £44.5m note purchase agreement with M&G Investments (fully drawn at a fixed rate of 3.4% per annum), a £45.5m note purchase agreement with Aviva (fully drawn at a fixed rate of 3.4% per annum) and a £61m loan facility with NatWest, including £21m fixed rate loans (fully drawn at various fixed interest rates) and £40m revolving credit facilities (undrawn at 31 March 2024).

Aviva purchased its £45.5m holding from M&G Investments in February 2022.

The Group has incurred £140k of loan fees which have been offset against the long-term loan balance. The loan fees are amortised over the life of the loan facility through the Statement of Comprehensive Income.

i. The loan agreements were reviewed as part of the transition to FRS102 and it was concluded that the following loan includes a call option on the interest rate and the loan has therefore been classified as non-basic in the financial statements, with all other loans being classified as basic.

ii. Fair value measurements were applied to one loan which had options in the year 2025, the total value of this instrument was £7.561m at 31 March 2024 (2023: £7.650m). The movement in the fair value of financial instruments recognised in the Statement of Comprehensive income for the year is a reduction of £89k (2023: £1,470k).

The attributes of the loan detailed as non-basic are detailed below:

Start date:	01.04.2008
Pre margin rate:	4.68%
Amount:	£7,000,000
Dates of the call options:	31.03.2025
Payment dates (quarterly):	30 Jun, 30 Sep, 31 Dec, 31 Mar
Final maturity date:	31.03.2036

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

26. Recycled Capital Grant Fund

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
At 1st April	361	287	361	287
Grant recycled	172	176	172	176
Interest accrued	17	3	17	3
Recycling of grant	(103)	(105)	(103)	(105)
Balance as at 31 March	447	361	447	361
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts to be released within one year	92	64	92	64
Amounts to be released in more than one year	355	297	355	297
	447	361	447	361

27. Deferred Grant

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
At 1 April	28,183	23,592	28,183	22,884
Grant received in the year	5,517	4,609	5,517	5,025
Grant income for major works	338	387	338	387
Grant disposed in the year	(172)	(176)	(172)	(176)
Change in accounting estimate (Note 40)	-	-	-	-
Released to income in the year	(168)	(229)	(168)	63
At 31 March	33,698	28,183	33,698	28,183
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts to be released within one year	231	229	231	229
Amounts to be released in more than one year	33,467	27,954	33,467	27,954
At 31 March	33,698	28,183	33,698	28,183

28. Capital commitments

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Expenditure contracted but not provided in the accounts	61,579	69,101	61,579	69,101
Expenditure authorised by the Board but not contracted	28,283	40,063	28,323	40,063
	89,862	109,164	89,862	109,164

The amounts above are expenditure that has been contracted and authorised as part of the stock investment and development plans. This will be financed by £9.3m cash in bank at year end, grant income, £40m RCF loan facilities and revenue income through rent received and shared ownership sales.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

29. Lease commitments

The payments which the Association is committed to make in the next year under operating leases are as follows:

	Group		Association	
	2024 £000	2023 £000	2024 £000	2023 £000
Vehicles:				
Minimum lease payments	3,650	168	3,650	168
Split between:				
Within one year	445	168	445	168
One to five years	2,400	-	2,400	-
Beyond five years	805	-	805	-
	<u>3,650</u>	<u>168</u>	<u>3,650</u>	<u>168</u>

30. Contingent liabilities

The Parent and its subsidiaries have no contingent liabilities to disclose at 31 March 2024 (2023: £nil).

31. Pension Obligations

The Greater Manchester Pension Fund (GMPF) is a multi-employer pension scheme with more than one participating employer, which is administered by Tameside MBC under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The Group commenced participation in the Fund at stock transfer for both registered provider subsidiaries. Triennial actuarial valuations of the pension scheme are performed by a qualified, independent actuary using the projected unit method.

The most recent formal actuarial valuation was undertaken at 31 March 2022 in accordance with the financial assumptions required under FRS 102 by a qualified independent actuary.

Contributions

The employers' contribution to the GMPF by the Group for the period 1 April 2023 to 31 March 2024 was £1,7514k (£2,054k 2023) and the employers' minimum contribution rate was 19.7% (Willow Park) / 20.9% (Parkway Green) of pensionable pay until 31 March 2024.

Assumptions

	2024 %pa	2024 %pa	2023 %pa	2023 %pa
	Willow Park	Parkway Green	Willow Park	Parkway Green
Rate of increase in salaries	3.55%	3.55%	3.75%	3.75%
Rate of increase in pensions payment	2.755%	2.75%	2.95%	2.95%
Discount rate	4.85%	4.855%	4.75%	4.75%

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 (and 0% 2021) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

	March 2024		
	Males		Females
Current Pensioners	20.2	years	23.2
Future Pensioners	20.9	years	24.7

	March 2023		
	Males		Females
Current Pensioners	20.2	years	23.4 years
Future Pensioners	21.6	years	25.2 years

Fair value and expected return on assets

The fair value of assets (employer) in the GMPF and the expected rates of return were:

	<u>2024</u>	<u>2023</u>
	Long Term Return %pa	Long Term Return %pa
Equity	68%	70%
Bonds	15%	14%
Property	8%	8%
Cash	9%	8%

Employer's contributions for the year ended 31 March 2025 are predicted to be £1,716k.

There is no provision for unitising the assets of a Fund under the LGPS. The above assets as a whole are allocated to participating bodies on a consistent and reasonable basis.

	2024	2023
	£000	£000
Fair value of the above assets related to the Trust	138,747	130,753
Present value of liabilities	(96,227)	(96,102)
Surplus related to the Trust	42,520	34,651

Recognition of the surplus or deficit

The present value of the Pension liability has moved from a surplus amount in 2023 of £34.651m to a greater surplus amount in 2024 of £42.520m a movement of £7.869m. Our accounting policy states that a net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. Neither applies to the Pension surplus therefore, the present value has been adjusted to nil.

	2024	2023
	£000	£000
Current service cost	1,685	3,833
Past service cost	149	14
Interest income on plan assets	(6,166)	(3,539)
Interest cost	4,549	3,975
Total charged to the Statement of Comprehensive Income	217	4,283

Of the above costs £1,834k (2023: £3,847k) has been charged to operating surplus and £1,617k (2023: £436k) has been charged other finance/income cost.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Reconciliation of defined benefit obligation

	2024	2023
	£000	£000
Opening defined benefit obligation	96,102	144,765
Current service cost	1,685	3,833
Past service cost	149	14
Interest cost	4,549	3,975
Contributions by members	601	626
Actuarial (gains)/losses	(3,748)	(54,875)
Estimated benefits paid	(3,111)	(2,236)
Closing defined benefit obligation	96,227	96,102

Reconciliation of fair value of employer assets

	2024	2023
	£000	£000
Opening fair value of employer assets	130,753	129,706
Expected return on assets	6,166	3,539
Contributions by members	601	626
Contributions by the employer	1,751	2,054
Actuarial gains/(losses)	2,587	(2,936)
Benefits paid	(3,111)	(2,236)
Closing fair value of employer assets	138,747	130,753

Contributions paid to the defined contribution pension scheme.

	2024	2023
	£000	£000
Contributions paid	649	481

32. Provision for liabilities

	2024	2023
	£000	£000
Balance as at 1 April	3,945	7,878
Increase in the provision	-	-
Released in the year	(3,945)	(3,933)
Balance as at 31 March	-	3,945

The provision at 1 April 2021 of £9.4m represented the planned fire safety works over 4 years from April 2021. The works includes the replacement of doors and external panels across the stock to bring them in line with current fire standards. During the year 2023/24 £3.9m (2022/23 £3.9m) was spent on these works.

33. Non-Equity Share capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

	2024 No.	2023 No.
Number of members		
At 1 April	9	10
Joined during the year	5	1
Leaving during the year	(2)	(2)
At 31 March	<u>12</u>	<u>9</u>

34. Revenue Reserves

The Revenue Reserve of £221.3m (2023: £203.3m) represents the accumulated surpluses from the preceding and current financial years as detailed above. It includes a transfer from the revaluation reserve of the depreciation charge in respect of the revaluation uplift of the housing properties.

35. Revaluation Reserves

The Revaluation Reserve of £65.968m (2023: £69.749m) represents the difference on transition between the fair value of housing properties and the historical cost carrying value. Each year an element is transferred from reserves, being the depreciation charge in respect of the revaluation uplift of the asset. This is an accounting reserve, not a cash reserve.

36. Reconciliation of operating surplus to net cash inflow from operating activities

	2024 £000	2023 £000
Surplus for the year	15,621	13,252
Amortisation of finance charges	28	28
Depreciation of tangible fixed assets - properties	9,207	8,763
Depreciation of tangible fixed assets - other	494	485
Accelerated depreciation on disposal of components	786	719
Depreciation on intangible fixed assets	72	91
Movement in fair value of investment properties	(856)	(102)
Pension current service cost	1,685	3,833
Pension past service cost	149	14
Pension contributions paid	(1,751)	(2,054)
Surplus on sale of fixed assets – housing properties	(1,915)	(5,319)
Movement in fair value of financial instruments	(89)	(1,470)
Carrying amount of tangible fixed asset	(9)	(146)
Interest payable	3,748	4,360
Interest received	(974)	(614)
Pension interest costs	(1,617)	436
	<u>24,579</u>	<u>22,276</u>
Working capital movements		
Decrease/(Increase) in properties for sale	(3,801)	(563)
(Increase)/Decrease in stock	(15)	16
Decrease/(Increase) in debtors	(2,001)	110
Increase/(Decrease) in creditors	6,691	5,718
(Decrease)/Increase in provisions	(3,945)	(3,935)
Net cash inflow from operating activities	<u>21,508</u>	<u>23,622</u>

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

36a. Analysis of changes in net debt

	At 1 April 2023	Cashflows	Fair Value movement	Other non- cash movements	At 31 March 2024
	£000	£000	£000	£000	£000
Cash	35,077	(25,773)	-	-	9,304
Bank loans due greater than one year	(111,565)	-	89	(28)	(111,504)
Total	(76,488)	(25,773)	89	(28)	(102,200)

37. Related parties

Wythenshawe Community Housing Group Limited is lead partner of JV North Limited, a Homes England development partnership. The Group paid JV North £24k (2023: £18k) in fees during the year ended 31 March 2024. At the year-end there was a balance of £nil (2023: £nil) on the purchase ledger. During the year to 31 March 2024 the Group received £3.4m towards development projects from Homes England.

Nick Horne (Group Chief Executive) is a Director of the Wythenshawe Forum Trust, Athena (a GMHP delivery vehicle) and is a member of the Greater Manchester Digital Inclusion Network. Transactions with Wythenshawe Forum Trust amounted to nil£ (2023: £11k) during the year and transactions with Athena were £6k (2023: £2k) during the year. There were no outstanding balances on any of the above mentioned supplier accounts at 31 March 2024.

Paul Seymour (Executive Director of Customers and Communities) is a Governor of the Manchester Enterprise Academy. Transactions with MEA amounted to £nil during the year (2023: £2k) with no balance at the year end

The following transactions were undertaken with Manchester City Council during the year, sales of £2,826k (2023: £2,543k) and purchases of £1,325k (2023: £1,061k). At 31 March 2024 the Group owed £815k (2023: £65k) to Manchester City Council and were owed £474k (2023: £158k) by Manchester City Council.

Leanne Todd was a tenant Board member during the year.

The company has taken advantage of exemptions conferred by Financial Reporting Standard 8 from disclosing related party transactions with fellow wholly owned group undertakings consolidated in the accounts of WCHG.

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

38. Financial assets and liabilities

Categories of financial assets and financial liabilities:

	2024	2023
	£000	£000
Financial assets that are debt instruments measured at amortised cost:		
Cash	9,304	35,077
Rent arrears due	2,067	1,833
Leasehold arrears due	162	176
Accounts receivable	1,720	613
Other debtors	105	19
Total assets	13,358	37,718
Financial liabilities measured at fair value through surplus or deficit:		
Loans	(21,269)	(22,470)
Financial liabilities measured at amortised cost:		
Loans	(90,054)	(89,096)
Bank overdraft	-	-
Trade creditors	(1,276)	(1,445)
Rent received in advance	(2,357)	(2,314)
Other creditors	(31)	(98)
Accruals	(8,334)	(7,003)
Leaseholder sinking fund balance	(1,346)	(1,213)
Total liabilities	(124,668)	(123,639)

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2024	2023
	£000	£000
Fixed rate	111,324	112,470
Floating rate	-	-
Total borrowings	111,324	112,470

The debt maturity profile is shown in note 25.

The Group has undrawn committed borrowing facilities at 31 March 2024 of £40m (2023: £40m).

The loan agreements have been reviewed as part of the transition to FRS102 and it has been concluded that the following loan within Wythenshawe Community Housing Group includes a call option on the interest rate and the loan has therefore been classified as non-basic in the financial statements with all other loans being classified as basic. The fair value of the loan at 31 March 2024 is £7,561k (2023: £7,650k). The movement in fair value, £89k reduction (2023: £1,470k reduction) has been recognised through the surplus or deficit.

39. Investment in Joint Ventures

Wythenshawe Community is part of a consortium of eight registered providers who are members of JV North Limited, a company limited by guarantee. The nature of this company is to act as a vehicle to expand the partners' development programme for providing new affordable homes aided with grant funding from the Homes and Communities Agency's National Affordable Housing Programme.

The financial statements for JV North Limited can be obtained from JV North Limited at its registered office; Wythenshawe House, 8 Poundswick Lane, Manchester M22 9TA (WCHG).

The Group through its commercial subsidiary (Garden City Trading Limited) has also agreed up to a £2.8m investment (up to 2025/26) in GMJV Fundco LLP, which in turn will invest in a further joint venture

WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

entity, Hive Homes LLP, a joint venture between the Greater Manchester Combined Authority (GMCA) and GMJV Fundco LLP. Hive Homes was created with the intention of increasing housing supply in Greater Manchester and providing a competitive return to investors. The company was incorporated on 31st October 2018. The financial statements for GMJV Fundco LLP can be obtained from GMJV Fundco LLP at its registered office 2a Derwent Avenue, Manchester, M21 7QP. The Group's Assistant Director of Finance is WCHG's representative on the GMJV Fundco Board. The Executive Director of Finance is a Board member of Hive Homes LLP.