



**Annual Report and Financial Statements**

**Wythenshawe Community Housing Group Limited  
formerly Willow Park Housing Trust Limited**

**Year Ended 31 March 2021**

**Co-operative & Community Benefit Society Registered Number: 8530  
Regulatory of Social Housing Number: L4219**

**WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED****Contents**

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## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Group Highlights – Summary Financial Performance

*For the year ended 31 March 2021*

#### Statement of Comprehensive Income

	<b>2021</b>	<b>Restated</b>
	<b>£000</b>	<b>2020</b>
		<b>£000</b>
Total turnover	73,024	66,476
Income from social housing lettings	62,085	60,364
Operating surplus	10,684	9,185
(Deficit)/surplus for the year transferred to reserves	(9,514)	17,383

#### Statement of Financial Position

	<b>£000</b>	<b>£000</b>
Intangible assets	434	630
Tangible assets	355,748	352,959
Fixed assets	356,182	353,589
Net current assets	29,456	11,746
Total assets less current liabilities	385,638	365,335
Loans due >1 year	136,320	133,499
Pensions liability	34,666	17,068
Other provisions	9,399	-
Reserves: revenue	127,641	132,131
Reserves: revaluation	77,612	82,577
Reserves: restricted	-	60

#### Accommodation Figures

Total General Need's housing properties owned at the year end  
(Number of dwellings):

General needs housing – social rent	12,443	12,478
- affordable rent	747	723
Supported housing - social rent	81	81
Supported housing - affordable rent	100	100
Rent To Buy	38	4
Market rent	42	40
Market rent - Step Down	5	5
Shared ownership	265	202
Outright Sales	3	-
	<b><u>13,724</u></b>	<b><u>13,633</u></b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Board Members, Executive Directors, Advisors and Bankers

#### Board

Group Chair: Bishop David Walker  
 Other Members: Anthony Bell – appointed 27 January 2021  
 Robert Cressey – resigned 3 December 2020  
 Edward Dyson – resigned 31 March 2021  
 Clare Flynn  
 Michelle Gregg – appointed 27 July 2020  
 Ian Hilton – resigned 27 July 2020  
 Tahir Idris – appointed 27 July 2020  
 Eula Mesquita – resigned 31 March 2021  
 David Nuttall – appointed 27 January 2021  
 Sarah Russell  
 Nigel Sedman  
 Sam Wilson

#### Executive Officers

Group Chief Executive Nicholas Horne  
 Executive Director of Finance Simon Morris  
 Executive Director of Assets Paul Butterworth  
 Executive Director of Development Andrea Lowman  
 Executive Director of Housing and Community Investment Paul Seymour - appointed 26 May 2020  
 Executive Director of Transformation & Resources Shahida Latif-Haider

#### Secretary

Shahida Latif-Haider – resigned 1 June 2021  
 Simon Morris – appointed 1 June 2021

#### 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

Grant Thornton UK LLP  
 4 Hardman Square  
 Spinningfields  
 Manchester  
 M3 3EB

#### Internal Auditors

BDO LLP  
 3 Hardman Street  
 Spinningfields  
 Manchester  
 M3 3AT

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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

**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 Poutney Hill  
London  
EC4R 0HH

## 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 2021.

### 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. On the 31 December 2020, WCHG converted its status from a charitable company limited by guarantee to 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 2021

A Group consolidation was completed on the 31 March 2021, with the result that Wythenshawe Community Housing Group Limited, formerly Willow Park Housing Trust Limited (the Parent Association), is now the parent association of the Group. Under the consolidation there was a transfer of engagements from the legacy parent association, which was also called Wythenshawe Community Housing Group Limited, to the Parent Association, and a further transfer of engagements to the Parent Association from Parkway Green Housing Trust. Both the legacy Parent Association and Parkway Green Housing Trust are in process of being deregistered and removed from the FCA Register.

On completion of the consolidation, the Parent Association changed its name from Willow Park Housing Trust Limited to Wythenshawe Community Housing Group Limited. It is now 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 only remaining subsidiaries of that new parent association.

The board are satisfied that the group restructure meets the criteria of a merger and, therefore, merger accounting has been applied to the financial statements for the year ended 31 March 2021 for both the Group and the Parent Association and the comparatives have been restated to include the results of the combining entities for the year ended 31 March 2020. The accounts of the Group, therefore, include the results of Willow Park Housing Trust Limited, Garden City Trading Limited and Garden City Design and Build Limited for both periods. The accounts for the Parent Association include the combined results of Willow Park Housing Trust Limited, Parkway Green Housing Trust and the legacy parent association, Wythenshawe Community Housing Group Limited.

### 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

The ongoing Covid-19 pandemic has been a key factor affecting the operations of the Group throughout the financial year. However, the Group has responded strongly to the pandemic, as demonstrated by the financial performance in these financial statements and maintains a resilient financial position as discussed further in the section on Going Concern on page 12.

The current Corporate Plan sets out our actions over the period to March 2022. These activities will build our long-term resilience and capability and support our tenants and the wider community in the wake of the Covid-19 pandemic. We propose to extend our planning horizon to five years as we continue to develop our understanding of the longer terms needs of our tenants, the community and our business.

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As part of the progression towards a new, post-pandemic Corporate Plan, we have refreshed the Group's Purpose, through consultation with Board, colleagues and customers:

*'To provide good quality homes and services to our tenants and leaseholders and to play a leading role in creating safer, healthier communities'*.

To help achieve this refreshed Purpose, we have focused all future activity through a Business Transformation Programme, 'Change Wyth', which brings forward an initial nine programmes of work under the four strategic themes within the Corporate Plan, to drive and achieve sustainable improvement in the organisation.

The Group will continue its challenging new build development strategy to deliver a pipeline of c.200 new units per annum over the next five year period. The new developments will predominantly 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 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 Group will continue to develop our commitment to long term carbon reduction across property assets and business operations. This is a key commitment for Greater Manchester Registered Providers, and is contained within the Group's longer term corporate objectives.

### **The Board and Executive Officers**

The Board comprises of nine 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 all 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 2019 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 Group Audit & Risk Committee, Group Remuneration & Governance Committee and Group Development Committee all meet at least four times per year. The Tenant Committee meets six times a year.

The Group 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.

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The Group Audit & Risk Committee has the responsibility of overseeing the Group's internal and external audit functions, leading on matters of probity and risk, in addition to dealing with ICT issues.

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

The Tenant Committee oversees involvement activity and all committee members are residents of Wythenshawe Community Housing Group. The Committee sits within the Governance Structure of the organisation and receives management reports related to the delivery of customer services. These include all service delivery and performance management information, as well as any proposed policy development and major project work. It can:

- approve or reject report recommendations prior to any Board ratification; and
- trigger further investigative work where concerns are held about the quality and value for money being provided through current service delivery.

The Committee also receives reports produced by the Group's Service Review Panel, which is responsible for tenant led service reviews across the front line, to approve any recommendations for improvement prior to Board ratification.

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

### Employees

The last 12 months has seen unprecedented change for WCHG employees as we have responded to various challenges due to the pandemic. Government guidance has informed new ways of working and we have adapted to deliver services differently. Health & Safety is one of WCHG's five People principles informing decision making and actions, and this has been central to ensuring Covid secure measures were, and continue to be, effective. We have worked hard to ensure employees have the relevant PPE and risk assessments; updated toolkits and communicated out as guidance changed; accessed Covid testing and Covid vaccines; and flexed internal policies to support individual employee circumstances. A significant proportion of the workforce were furloughed during the year and their support in this has helped protect jobs and future workstreams. Our ambition of developing agile working happened at speed, with colleagues adapting to remote working whilst building new skills and confidence.

Throughout this challenging year, colleague engagement has remained high with engaged groups including 'Your Voice', 'BeeWell', the Inclusion Group, the sustainability working party, and regular Trades Unions meetings. These have provided communication channels to champion ideas, cascade information, and gain colleague insight. Two new people-focused Board approved strategies, the Health & Wellbeing Strategy and Inclusion Strategy have been developed in collaboration with engagement from these groups and wider colleague input. Colleagues have been able to contribute to significant workstreams during the year, i.e., the Pay & Conditions Festival, where they have been able to help shape what will become the future framework for reward and recognition within WCHG; Listening Groups held ahead of the Annual Staff Survey to help identify the 'real issues' and shape questions; and the opportunity to input into the revised Group Purpose and nine guiding principles.

Following an IIP review in September 2020 we are proud to continue on track against the IIP Health & Wellbeing standard. We also achieved Top Employer Institute accreditation for the third year running, which recognises WCHG for having excellent people practices and supports our aim of attracting and retaining the best talent. We continue to be recognised for being a 'Disability Confident Employer' and are committed to employing, keeping and developing disabled people and those with long term health conditions, to provide opportunities to fulfil their potential and realise their aspirations. Our recruitment practices are inclusive and accessible with applications via an online portal. The majority of recruitment was delivered virtually during

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the year, going forward we may take a hybrid approach dependent on job role. We launched our new onboarding portal providing a safe and interactive platform to obtain new starter details; and allowing new recruits with access to key documents and information ahead of their first day.

WCHG colleagues are given equal access to training and development opportunities, and understand these may need to be adjusted to meet different learning styles and capabilities. We were delighted that two ILM cohorts (ILM L3 Award & Certificate) achieved their accreditations during the year, and were recognised by their tutor and the Leadership team for their dedication to this programme in the context of a challenging year. There have been a number of training programmes delivered during the year focusing on 'Building Resilience' and 'Working with and Managing Change' which have been open to all colleagues. Whilst career development opportunities, i.e. volunteering, job shadowing and secondments have been restricted due to Covid, we are revisiting our Talent Management & Development policy and carrying out a skills gap analysis to ensure we have the right talent and pipeline of skills required for the future.

### Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has a dedicated internal Health and Safety Department which oversees 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.

### Resident involvement

We actively encourage residents' involvement in decision making by operating a tenant involvement structure that influences all frontline services. The formal meeting-based structure shifted to online meetings successfully for the duration of 2020/21 due to the Covid-19 pandemic.

Our approach to resident involvement was reviewed during 2020/21, taking into consideration the emerging themes from the Government's Charter for Social Housing Residents. The review was conducted in partnership with TPAS – England's leading tenant engagement experts – and heard from both involved and non-involved residents. A number of recommendations were made to further strengthen customer voice in our Governance structure.

The organisation operates a range of formal tenant engagement mechanisms to include:

- **Tenant Committee:** oversees all involvement activity and is made up of 12 tenant members, inclusive of a Chair and Deputy. The Committee sits within the Governance Structure of the organisation and is also responsible for approving Policy and Strategy for the Group that is shaped in the Panels, before submission to the Board. During 2020/21, the Tenant Committee was particularly active in shaping a new approach to Assisted Gardening and contributed to the implementation of changes to the policy which helped target support for those most in need of support and helped create a new community tool hire offer.
- **Service Review Group:** responsible for tenant-led service reviews across the front line. All review recommendations are submitted to the Tenant Committee for approval. In 2020/21, the Service Review Group reviewed the tenancy sign-up process and recommended that sign-ups are conducted remotely. This has now been implemented and links directly to WCHG's response to the COVID-19 pandemic.

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In addition, the Service Review Group, as part of the resident involvement review in 2020/21 recommended that we implement four bespoke Service Panels to focus on the four strategic themes of the organisation's Corporate Plan:

- Great Places
- More Homes
- Living Well
- Smarter Business

These Panels were developed in 2020/21 and launched from 1st April 2021.

- **Complaints Panel:** registered with the Housing Ombudsman, designed to intervene on complaints during the "Democratic Filter" which is part of the Localism Act, with one tenant accessing this service in 2020/21.
- **Grants Panel:** tenants allocate grants to Community Groups up to £2,500 with £44,634 distributed to 36 different community groups in 2020/21.

Following the TPAS review and recommendations, a working group of tenants, staff and Board members has been tasked with considering whether a new customer sub-committee of the Board would further strengthen the Group's approach to governance. This group will make its recommendations to Board in 2021/22.

In 2020/21 we engaged with 1,452 tenants across the wider Group (2019/2020: 1,225) in relation to seeking their views on a range of issues. We have 159 more actively involved residents who work with us through our involvement structure and mechanisms. We also have a number of leaseholders and non-tenants involved with us.

### Streamlined Energy and Carbon reporting (SECR)

The Group is fully aware of the potential impact of its activities on the environment and takes its responsibilities very seriously in this regard. The Group has commissioned consultants to help us better understand the potential impact of its activities on the environment and the table below details greenhouse gas emissions estimates to cover all material sources of emissions for which the Group is responsible. The methodology used is the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015).

Greenhouse gas emissions	2020/21 Emissions (tCO2)	2019/20 Emissions (tCO2)	Increase/(Decrease) (tCO2)
Scope 1	1,041	1,157	(116)
Scope 2	610	724	(114)
<b>Total</b>	<b>1,651</b>	<b>1,881</b>	<b>(230)</b>

The Group defines its organisational boundaries for its greenhouse gas emissions and carbon footprint as covering all its activities and facilities in which the Group operates. In the table above, scope 1 & 2 emissions cover energy consumption at offices and communal areas of properties, but also includes waste, expenditure, employee commuting, fleet mileage/fuel, grey fleet mileage and water supply, in that order of significance.

The WCHG Corporate Plan 2020-22 includes an objective to develop an affordable approach to meeting the challenges of the low carbon agenda. The Carbon Reduction Strategy, approved during the financial year, has been developed to provide the context to this commitment and seeks to deliver a programme of actions that will support the achievement of this objective. The strategy will also enable the Group to support Manchester's commitment to be a carbon zero city by 2038 and to respond to the requirements of current and future, national and international legislation and policy.

The underpinning aim of this strategy is 'Building Better Futures' for every colleague, customer, partner and community with whom the Group works. The Carbon Reduction Strategy highlights

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seven themes around which the carbon reduction activity is either actively underway or is being planned as detailed below:

Theme	Focus
<b>Governance</b>	Embed carbon reduction as a corporate plan priority for resources, ways of working and culture.
<b>Stock and existing assets</b>	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.
<b>New Build</b>	Avoid adding assets that increase the decarbonisation challenge.
<b>Energy</b>	Reduce consumption, and transition to renewable energy sources.
<b>Waste</b>	Reduce waste generation and maximise recycling.
<b>Transport</b>	Reduce carbon emissions and maximise the efficiency of travel connected to our business and service delivery.
<b>Ecology</b>	Minimise the negative, and maximise the positive impact of our activity on the natural environment.

### 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 2020/21 with a financial loss of £nil (2019/2020 - £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 Group 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 Group Audit & Risk Committee meetings.

The internal audit function is outsourced and has direct access to the Group Audit & Risk Committee. The Internal Auditors attend all meetings of the Committee and all

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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 Group 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 2021, 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 2021; no areas of non-compliance were identified for the year ended 31 March 2021.

The RSH re-confirmed the Group's Regulatory Judgement for Governance and Viability as G1 and V1 in November 2021 following the routine annual stability check.

The Group complies with all relevant law.

### **Code of Governance**

The National Housing Federation's (NHF) 2015 Code of Governance was formally adopted by the Group in May 2016. Compliance with the adopted code is annually reviewed by the Board and was last reviewed in May 2020 for the year ended 31 March 2021.

In accordance with the requirements, the Group is pleased to report full compliance with the adopted code for the year ended 31 March 2021, and has identified no areas of non-compliance to report.

### **Going concern**

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board considered it appropriate to approve (on 27 July 2020) the previous financial statements for the year ended 31 March 2020 on a going concern basis, despite the ongoing Covid-19 pandemic, which has subsequently continued for the whole financial year ended 31 March 2021. At the date of approval of these financial statements, the Government had, to an extent, relaxed restrictions related to Covid-19, allowing a return in at least the short term, to a more 'normal' life for the tenants and employees of WCHG and the wider population.

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As demonstrated by these financial statements, the ongoing pandemic has actually had a beneficial impact on the financial performance of the organisation in the financial year ended 31 March 2021, with current tenant arrears showing a small improvement and underlying operating margins increasing quite significantly to 9.8% from 7% (even after the impact of a significant provision for fire safety costs).

However, in full consideration of the Covid-19 pandemic and its likely financial effect, the Executive Team and Board agreed a return to more standard assumptions for the 2021/22 budget and thirty year business plan. In agreeing those assumptions, the Board again reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the business plan, including reductions in rental income collected and changes to economic indicators such as inflation. The Board will continue to review the business plan with the Executive Team to make any necessary changes and continue to work with our customers and stakeholders to deliver exceptional services in an effective, solution-focused way.

Towards the end of the financial year, the Group refreshed the availability of its undrawn loan facilities, totalling £40m, demonstrating the confidence of funders.

Additionally, the Board has considered the ongoing impact of Brexit following the end of the Brexit transition period on 31 December 2020. As a result of minimal impact on activities thus far, the Board do not expect Brexit, within a period of 12 months from the approval of these financial statements, to significantly impact the finances of the Group.

When combining the above with the strength of the balance sheet (as demonstrated by the gearing ratio in the Value for money section on page 25), the Board believe that, whilst some uncertainty remains, there are no circumstances that pose a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the approval of the financial statements. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

### **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

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2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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 and Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and Association's website is the responsibility of the Board. The Boards' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Annual general meeting

The annual general meeting will be held on 27 September 2021.

### 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 26 July 2021 and signed on its behalf by:

*Bishop David Walker*

**Bishop David Walker**  
**Chair of the Board**  
**26 July 2021**

## 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 was formed in 2013, when Parkway Green Housing Trust Limited and Willow Park Housing Trust Limited entered into a Group structure with both Trusts becoming subsidiaries of the new parent company, Wythenshawe Community Housing Group Limited. Following the Group consolidation on 31 March 2021 the Group now comprises of a single Registered Provider entity, Wythenshawe Community Housing Group Limited, which owns and manages the housing stock.

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 operates primarily as a social landlord, providing affordable general needs housing, delivering high quality services to 13,724 homes in Wythenshawe. The Group’s head office is based in Wythenshawe and the vast majority of its properties are situated within five miles. The Trust is a charitable organisation and operates primarily as a social landlord, providing affordable general needs housing.

#### Objectives and strategy

Wythenshawe Community Housing Group is the largest Manchester based housing association responsible for 13,724 properties providing a home to circa 29,100 people – circa 37% of the Wythenshawe community. Some 48% of our 540 staff live in Wythenshawe and 20% are also our tenants. The Group has a critical role as a community based business that goes beyond housing. In Wythenshawe we are a major local employer, investor, support provider and enabler, building on the strengths of local people, organisations and the wider community.

Wythenshawe is 8 miles south from Manchester City Centre and is home to about 79,000 residents. There are many positive aspects to Wythenshawe which for many years have improved it as a place to live and work. The positives must be balanced with the downsides, most notably relatively high levels of deprivation and lower life expectancies.

The Corporate Plan sets out our actions over the period to March 2022. These activities will build our long term resilience and capability and support our tenants and the wider community in the wake of the Covid-19 pandemic. We propose to extend our planning horizon to five years as we continue to develop our understanding of the longer terms needs of our tenants, the community and our business.

Whilst not yet apparent from these financial statements, the impact of the pandemic is expected to be significantly negative on the Wythenshawe area. In response to the changing needs of our tenants and the community we will rebalance our resources in partnership with others so as to have the most positive impact.

The Group’s 30 year Business Plan shows a healthy financial performance as measured by the metrics of EBITDA, liquidity and gearing. Relatively low debt levels enable a strong EBITDA to be achieved despite relatively low, but increasing, operating margins.

The Business Plan includes efficiency targets and supporting actions to improve margins over the medium term. Unforeseen impacts from the pandemic are mitigated by flexibility in the timing of our investment spend and a strong cash balance supported by Board’s policy to maintain a larger cash reserve.

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The Corporate Plan's **Golden Thread** links detailed actions with achievement of the Group's purpose, which, as part of the progression towards a new, post-pandemic Corporate Plan, we have refreshed through consultation with Board, colleagues and customers



The Group's refreshed **Purpose** is 'To provide good quality homes and services to our tenants and leaseholders and to play a leading role in creating safer, healthier communities'.

Nine **Guiding Principles** support selection and delivery of the Corporate Plan actions and cover the impact of what we do, how we work and effective strategy implementation.

At the heart of the Corporate Plan are four **Strategic Themes**:



- **More Homes:** The Group will play an active part to address the shortage of affordable homes. Our Development Strategy resources the delivery of up to circa.200 new homes per annum across all tenure types but with an emphasis on affordable homes for rent.
- **Living Well:** Through a range of service reviews, engagement with residents and partner and community programmes, we will continue to support tenants and the wider community. We will build on Wythenshawe's many strengths and as best we can mitigate existing challenges and the threats presented by the pandemic.
- **Great Places:** Service reviews and programmes of work balance the need for additional shorter term investment to improve the safety and amenity of our resident's homes with a longer term focus on improving estate quality and optimising the performance of our property portfolio.

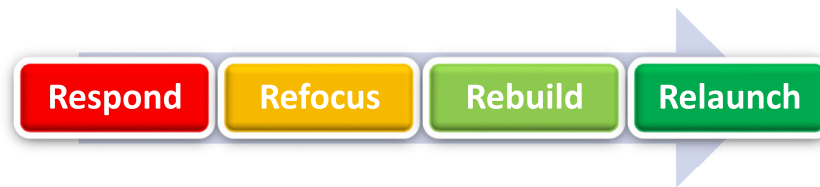
## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- **Smarter Business:** Organisational infrastructure, service efficiency and delivery capability will be improved through programmes across the key areas of Customer Contact; Culture and People; Data Governance; Service Design and Systems.

Further supporting the capacity and motivation of all of our colleagues to fulfil their roles to the best of their abilities is a key objective during these changing times. Five People Principles guide our decision making and actions:



**The Four Rs:** Our four Rs model supports us in navigating through the remaining pandemic period. It is an approach to thinking about the context in which the business is operating and proactively moving us through sequential phases of the two year plan period and beyond. The four Rs are:



### Business Transformation

Whilst at the base level of the Golden Thread there were an initial 180+ detailed plan actions and outcomes that colleagues across the business had identified as necessary to deliver the four strategic themes (and hence our Purpose), we have focussed all future activity through a Business Transformation Programme, 'Change Wyth', which brings forward an initial nine programmes of work under the strategic themes, to drive and achieve sustainable improvement to WCHG, as detailed below:

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Living Well		
<b>Programmes of work</b>		
Customer Experience	Community and Neighbourhood Development	Living well
<b>Change outcomes</b>		
<ul style="list-style-type: none"> <li>○ Customer voice, insight and aspirations shaping everything we do</li> <li>○ Right first time approach to service delivery</li> <li>○ Quicker, easier, digital customer communication</li> <li>○ A clear, impactful and affordable community service offer</li> <li>○ More tenants sustain tenancies and live well</li> <li>○ Extra care and sheltered schemes that help residents age well and deliver value for money</li> </ul>		
Great Places		
<b>Programmes of work</b>		
The Carbon Reduction Agenda	The Building Quality and Safety Agenda	Designing a more efficient repairs and maintenance service
<b>Change outcomes</b>		
<ul style="list-style-type: none"> <li>○ Clear, affordable roadmap to Carbon Reduction</li> <li>○ More affordable warmth for customers, driving long term demand</li> <li>○ Improved and compliant homes</li> <li>○ More engaged customers in buildings safety and accountability</li> <li>○ Effective and efficient repair processes that deliver value for money</li> <li>○ A digital, first right first time delivery culture</li> </ul>		
More Homes		
<b>Programme of work</b>		
The Future Wythenshawe		
<b>Change outcomes</b>		
<ul style="list-style-type: none"> <li>○ An understanding of the future shape of Wythenshawe</li> <li>○ An approach to future delivery that meets the needs of customers</li> <li>○ Understand the quality and use of open spaces</li> <li>○ Using existing future commercial assets to increase income</li> </ul>		
Smarter Business		
<b>Programmes of work</b>		
Business Head Social Heart	Giving colleagues and customers the right digital tools	
<b>Change outcomes</b>		
<ul style="list-style-type: none"> <li>○ Improved financial resilience and capacity</li> <li>○ Value for money embedded in all activities</li> <li>○ A culture of challenging ourselves through accountability</li> <li>○ Demonstrate and evidence value for money to all stakeholders</li> <li>○ Core systems to deliver our 'Digital First' targets</li> <li>○ Seamless transition of data between systems</li> <li>○ Fully supported agile working</li> <li>○ Data leakage reduced</li> <li>○ Resources to deliver and support new digital services</li> </ul>		

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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 key features of the Group's financial position are set out below.

The financial statements report an increase in operating surplus to £10.684m (2020: £9.185m), which is after £3.183m additional depreciation in relation to a capital provision of £9.399m for future building safety costs. The provision relates to fire safety works on some of our high rise stock and fire doors across our stock. The works are to replace and improve the compliance of materials across our buildings to current requirements. The fire doors are being replaced as we, like many in the sector, cannot demonstrate compliance with the current more stringent fire safety regulations. The additional depreciation is to reflect the reduced useful economic life of components which will be replaced over the next 4 years.

A significant factor affecting these results relates to a reduction in a range of expenditure types as a result of the Covid-19 pandemic. However, there was also an increase in turnover to £73.024m (2020: £66.476m), mainly due to increases in sales of both first tranche shared ownership and outright sale properties. This increase in sales was despite a temporary slowing of the development programme and challenges in arranging property viewings due to the impact of Covid-19.

No additional debt was drawn down during the year. In fact, due to lower than expected expenditure and increase in sales, cash and cash equivalents increased by £18.021m to £31.066m. Cash inflows and outflows for the period are shown in the cashflow statement on page 44. The net cash inflow from operating activities in the financial year was very strong at £39.772m (2020: £16.956m).

The end of the year has seen a substantial increase in the pension deficit by £17.598m to £34.666m, based on the position reported by the Greater Manchester Pension Fund's actuaries. A significant element of this increase is down to a fall in the real discount rate, this being a combination of a lower discount rate assumption and a significantly higher CPI assumption.

Overall the Covid-19 pandemic has, in fact, had a positive impact on the results for the year. The future potential impact has been assessed in the going concern section on page 12.

#### *Performance Indicators*

The Group continued to deliver overall strong performance during 2020/21, although the 2020/21 targets were set at the beginning of the Covid-19 pandemic and were in line with existing performance levels. The table on page 21 compares the 2020/21 performance to target and prior year.

The significant compliance indicator concerning gas safety was maintained throughout the year in line with Government guidelines. During April 2020, the Group took an informed decision to allow a number of properties to go overdue on gas servicing at the request of tenants shielding from Covid-19; this was also based on the intelligence the Group had on the age and condition of gas appliances. Performance returned to 100% compliance from August 2020 onwards.

Rental income collection actually improved over the year (with a related reduction in rent arrears); this was delivered despite the challenging economic climate for customers during the pandemic, moving to remote working and the suspension of court hearings and evictions. This will remain a key indicator for the Group as we monitor the ongoing impact of the pandemic on the local economy and it may be a significant period of time before the full impact becomes apparent.

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The Group's repair service adapted to the changing guidance provided on how to undertake routine and emergency works safely for both tenants and staff. Access to tenants' homes was impacted due to customers shielding or feeling unwell which resulted in repairs being delayed or being re-appointed. During April to June 2020, the Group also experienced some material supply issues for a small number of repairs and components in line with national supply issues. Satisfaction levels however, remain high and shows that the new working arrangements that were put in place were supported by tenants.

The definition of repairs completed on the first visit was changed for 2020/21, which can be seen by the apparent reduction in performance against the previous year and peers. However, performance was still below the revised target of 80%, at least in part as a result of pandemic-related factors described above.

During 2020/21 the Group commenced a review of the repairs service to ensure that it is fit for purpose and delivers value for money. This work has been supported by a specialist consultant and a number of key projects have been implemented following its conclusion. During 2020/21, this included taking the decision to outsource the in-house roofing team and also reducing the scope of the assisted gardening scheme. Both will deliver benefits and savings during 2021/22.

Void turnaround times remain strong against peers, but were adversely impacted by the pandemic. This was due to implementing new safe systems of work within the properties whilst void and investment works were completed and additional time built into the letting process to ensure that it was Covid safe.

The Group's customer access channels remained live throughout the pandemic and the closing of the office reception services promoted an increase in digital means of access and telephone calls to the contact centre. The Group has appointed an Assistant Director of Customer Experience to lead on the development of a new tenant offer for all aspects of contact and this is likely to start to come into effect from 2022 onwards.

A new Complaints Policy was implemented in 2020/21 and supports a two stage complaints process in line with best practice. This has been supported with training for staff to support effective complaint management whilst allowing tenants the option to appeal any complaint to the next stage if they feel that it requires a further review.

During 2020/21 the Group introduced remote working for all colleagues who were able to, in line with Government guidelines. Whilst this helped to ensure that sickness was minimised during the year, sickness levels increased from the previous year, mainly due to the impact of Covid. The Group implemented strict new safe ways of working for those colleagues who were required to attend offices or tenants' homes; feedback from staff has been positive in that they felt safe and secure.

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Performance Indicator	March 2021	Expected Performance 2021	RAG rating	March 2020	RAG rating	Peer Group Average	RAG rating
Rent Arrears	2.53%	3.77%		2.60%		3.27%	
Gas Safety	100.00%	100.00%		100.00%		N/A	
Rent Collection	101.45%	100.00%		100.10%		100.02%	
Former Tenant Arrears Collection	£189k	£204k		£182k		N/A	
Percentage of Emergency and Appointable Repairs completed within the target time	97.30%	99.95%		99.95%		91.98%	
Percentage of repairs completed on the first visit	73.40%	80.00%		92.63%		90.06%	
Percentage of customers satisfied with repairs	99.95%	99.50%		99.94%		88.67%	
Controllable Customer Turnover Percentage	2.73%	4.00%		3.01%		4.39%	
Void Turnaround time for properties let in the month (calendar days)	27.4 days	20.0 days		21.9 days		38.1 days	
Percentage satisfaction with ASB Service	96.7%	99.75%		99.3%		N/A	
Percentage of complaints to receive a full response within 14 calendar days	100%	100%		99.2%		N/A	
Percentage of complaints fixed first time	80%	90%		87.3%		N/A	
Percentage of calls answered in 30 seconds	56.6%	85%		85.3%		N/A	
Percentage of calls first time fix	89.4%	87.0%		87.8%		N/A	
Percentage satisfaction with contact centre	98.9%	98.0%		99.0%		N/A	
Sickness absence percentage	4.25%	3.25%		4.10%		3.89%	

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Value for Money

#### Strategic approach to Value for Money

The Group's VFM strategy has been significantly refreshed to align to our 2020-2022 Corporate Plan and our recently updated Purpose and nine Guiding Principles.

Our revised VFM strategy can be found here: [VFM Strategy - WCHG](#)

One of the nine Guiding Principles encapsulates our approach to VFM "**Have a business head and a social heart**" which can be described as:

*"We will run our business efficiently and effectively and we will review all our services to ensure we deliver value for money in everything we do. This will maximise the resources we can invest in providing good quality, good value services for current and future tenants, leaseholders and their communities".*

The collective nine Guiding Principles strengthen and steer the Group's strategic activities to ensure that we achieve VFM whilst balancing our financial and social returns, alongside ultimately delivering our Purpose. Our Purpose and Guiding Principles can be found on page 18.

The Group has an 'Open' risk appetite for VFM which defines the level of risk the organisation is prepared to accept in seeking VFM to deliver its strategic objectives, values and make its target returns.

An open risk appetite means that the Group is;

*"willing to consider all potential options and choose the one that is most likely to result in success, while providing an acceptable level of reward".*

#### Objective of the VFM strategy

The purpose of the VFM strategy is to ensure:

- We run our business efficiently and effectively and review all our services to ensure we deliver value for money in everything we do;
- We maximise the resources we can invest in providing good quality, good value services for current and future tenants, leaseholders and their communities;
- We increase customer influence on VFM; engaging and informing customers, involving in VFM decision making and encouraging scrutiny;
- We continuously develop our VFM culture; improving staff understanding, encouraging ideas and gaining benefit from staff feedback and;
- We comply with the Regulator's VFM standard.

#### Approach to VFM

##### Stakeholders

Whilst revising the Group's VFM strategy key stakeholders, including Board, staff and customers were consulted and improvements have been incorporated into the strategy including;

- Improved customer involvement and input, continuous engagement and communication;
- Creation of a staff focus group to capture VFM ideas from all staff and translate into practical actions;
- Use of multi channel communications to share VFM best practice and celebrate achievements with staff and;

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- Embed a culture of VFM, emphasising the responsibility of colleagues to bring ideas and suggestions for improving VFM and ensuring that there is appropriate training to support them in helping deliver this.

### Board

The Group's revised VFM strategy outlines the Board's ultimate responsibility for decision making and focuses on the importance that the Board receive clear information in order to make difficult choices in striking a balance between the potentially competing requirements around the quality and level of service versus the cost, and that there is an audit trail of the consideration in coming to decisions.

### Future VFM plans

The Group commits to delivering VFM through our day to day activities; ensuring we work efficiently and effectively to maximise value for money in everything we do.

In addition, in alignment with the delivery of our 2020-2022 Corporate Plan objectives we have launched our business transformation programme, "Change Wyth", incorporating service reviews and improvement projects across the four strategic themes, which will also deliver VFM benefits.

The high level VFM objectives within each of the four strategic themes are as follows:

- **More Homes** – delivering more new homes for future tenants and leaseholders with demonstrable VFM;
- **Living Well** - adopt a person-centred, right first time approach including an enhanced digital offer for customers and elimination of waste in services; delivering efficiency benefits, and maximum social value impact.

Develop sustainable plans for the Village 135 Independent Living Extra Care home and WCHG community centres, increasing benefits to tenants and communities, alongside improving financial resilience.

- **Great Places** – a new repairs and maintenance delivery model across our property and asset teams which offers customers a digital first, efficient experience, with full control over service requests, optimising processes to remove touchpoint and eliminating waste work and;
- **Smarter Business** – 'invest to save' projects incorporating technology and infrastructure to give colleagues and customers the right digital solutions; delivering medium to long term VFM efficiencies.

Develop a revised procurement strategy to ensure that the Group is maximising its purchasing power.

The latest approved Business Plan includes a VFM improvement target increasing to £2.4 million per annum by 2025, the aim being to improve operating margins to a level more in line with sector peers and so improve both our financial resilience (to withstand shocks) and our financial capacity (to allow choice of where to re-invest surpluses).

### Realising and demonstrating VFM

A key area of improvement in the revised VFM strategy is to how the Group identifies, calculates, reports and monitors VFM;

- We will comply with the RSH's VFM Standard and monitor the Regulator of Social Housing's (RSH) VFM metrics, seeking to improve these indicators over time;
- We will also report and monitor our own key performance indicators relating to VFM;

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- We will report and monitor the VFM benefits gained from the business transformation projects and service reviews. These will be identified using the Group's benefit realisation model which enables the Group to capture a holistic overview of the full spectrum of benefits delivered; social, environmental, financial and operational along with the VFM impact. Benefits are additionally classified as cash or non-cash to allow assessment of financial impact against the VFM improvement target of £2.4m.

### Review of Value for Money categories

During the year there was a review of the categorisation of expenditure into the VFM metrics. The objective of the review was to ensure that there was a reasonable and fair categorisation. This then, would create more transparent data to help the organisation monitor and improve its financial position. During the process, it was also found some income had been netted off expenditure, this was moved to turnover and thus increasing costs in some areas, such as major repairs. We also moved some activities to non-social housing as they were not linked specifically to our tenants or lettings activities. As a result, we decided to restate the comparative 2019/20 Note 3 and subsequent VFM values. The movement is shown in the table below.

VFM category	2019/20 Original Accounts	2019/20 restated
<b>Operating margin- Overall</b>	7.2%	7.0%
<b>Operating margin- Social housing lettings</b>	6.0%	6.4%
<b>EBITDA MRI</b>	180.3%	158.9%
<b>New supply (social)</b>	0.3%	0.3%
<b>New supply (non-social)</b>	0.1%	0.1%
<b>Gearing</b>	29.0%	29%
<b>Reinvestment</b>	5.6%	3.3%
<b>Return on capital employed</b>	2.4%	2.4%
<b>Headline social housing cost per unit</b>	£3,747	£3,851
<b>Management cost per unit</b>	£954	£1,029
<b>Service cost per unit</b>	£447	£408
<b>Maintenance cost per unit</b>	£799	£718
<b>Major repairs cost per unit</b>	£1,415	£1,562
<b>Other social housing cost per unit</b>	£132	£133

### 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 compared our results to the Value For Money metrics and reporting 2020 document published by the Regulator. In particular we have compared our results to the previous year's results for 34 organisations of a similar size (10,000 to 19,999 units) and secondly noted in which quartile we are performing across all Registered Providers. The table on page 25 details the relevant metrics, followed by detailed explanations.

This year we have taken the opportunity to look at the underlying drivers in our performance which link to the historic decision to present our properties at deemed cost. The move to deemed cost adjusted our properties to fair value in the financial year ended 31 March 2015 as part of the transition to FRS102. This added £64.9m to the value of our housing properties within the Statement of Financial Position. Whilst this strengthened our asset base, it also increased the annual depreciation of the housing properties which has consequences for operating margin, reinvestment percentages, ROCE, reducing all three metrics. Conversely, it also reduced our gearing which increases capacity to raise further funds in the future. Further discussion of the effects of the deemed cost position is also included below.

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Section	Indicator	Actual			Target 2020/21	Median – Peer Group 2019/20 <sup>^</sup>	Quartile – All RPs 2019/20 <sup>^</sup>	Target			
		2018/19	2019/20 Restated	2020/21				2021/22	2022/23	2023/24	2024/25
<b>Business Health</b>	Operating margin (overall)	9.6%	7.0%	9.8%	13.4%	22.2%	4	12.0%	15.3%	17.1%	18.8%
	Operating margin (social housing lettings)	7.0%	6.4%	10.3%	14.0%	25.1%	4	12.7%	15.8%	17.3%	19.3%
	EBITDA-MRI %	242.3%	158.9%	203.8%	301.7%	147%	2	251.5%	199.0%	245.8%	242.3%
<b>Development-capacity and supply</b>	New supply delivered (social housing) %	1.2%	0.3%	0.9%	0.6%	1.3%	2	0.4%	1.4%	1.0%	1.3%
	New supply delivered (non-social housing) %	0.1%	0.1%	0.1%	0.2%	0.0%	1	0.1%	0.0%	0.2%	0.2%
	Gearing %	30.1%	29.0%	23.5%	25.3%	49.8%	1	26.1%	28.9%	31.5%	27.9%
<b>Outcomes delivered</b>	Reinvestment %	5.8%	3.3%	6.0%	2.7%	7.3%	3	10.6%	13.8%	14.2%	12.9%
<b>Effective asset management</b>	Return on capital employed	2.9%	2.4%	2.7%	2.9%	3.8%	2	2.9%	3.1%	3.2%	3.6%
<b>Operating efficiencies</b>	Headline social housing cost per unit	£3,614	£3,851	£3,720	£3,239	£3,600	3	£3,719	£4,004	£4,031	£4,134
	Management	£882	£1,029	£927	£887			£1,167	£1,114	£1,069	£1,037
	Service	£502	£408	£376	£398			£384	£386	£392	£396
	Maintenance	£784	£718	£668	£856			£644	£645	£658	£668
	Major repairs	£1,330	£1,562	£1,648	£979			£1,415	£1,754	£1,811	£1,935
	Other social housing	£116	£133	£101	£119			£109	£105	£101	£98

<sup>^</sup> Taken from the Value For Money Metrics and Reporting 2020 document published by the Regulator of Social Housing.

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### 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.

	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>Operating margin (overall)</b>	7.0%	9.8%	13.4%	22.2%	4
<b>Operating margin (social housing lettings)</b>	6.4%	10.3%	14.0%	25.1%	4

This year the operating margin has been affected by two key areas in opposite directions: the impact of the Covid-19 pandemic and a provision for future fire safety costs and linked accelerated depreciation.

Firstly, Covid-19 has created a both a deferral in repairs expenditure of £3.2m and an underspend in central services of £1.7m. This has inflated the overall margin by 4.7% and the social housing margin by 5.5%.

Secondly, this year we have recognised that some asset components are going to have a reduced economic life as they will be replaced via the necessary fire safety works in the next few years. This has added £3.2m depreciation and reduced the operating surplus. The provision for fire safety works is in the main, a capital one, which does not affect the margin. However, there is a small revenue provision of £97k. Overall, these two items have affected the overall margin adversely by 4.5% and the social housing margin by 5.3%. Without the fire safety provision and related depreciation, the overall margin for this year would have been 14.3%.

As the above adjustments are opposite in effect, the underlying margin is broadly as stated at 9.8%. This is below our target of 13.4%. This is due in part to additional unbudgeted depreciation of £2.8m which suppressed the operating margin by 3.9%. This has been countered by a greater than expected surplus on right buy properties of £1m against the Covid-19 budget, an improvement of 1.3%.

**Benchmarking:** The benchmarking highlights that the organisation has an operating margin lower than its peers. This has been an historic issue due in part to the strategy choice to invest in the wider community at a greater level than others. Also, the historic decision (now reversed for relets) not to disaggregate all rents from services charges during the four year rent decrease period. This has reduced the potential income streams to the organisation. Finally, an analysis on the depreciation charges the Group incurs has also pointed to the fact that the choice to reflect assets at deemed cost has increased the annual depreciation charge which affects the Group's margin by 4.6%. Whilst this decision increased the value of the Group's asset base, it also reduced the ongoing operating margin.

The Board and Executive have started the journey of improved operating margins over the next five years with an aim to achieve 20% overall operating margin by 2025/26. This is evidenced by the rising targets. The improvement will be achieved by both reviewing our expenditure in delivering our services in a fair and transparent manner and secondly, improving our income streams.

**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.

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	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>EBITDA- MRI %</b>	158.9%	203.8%	301.7%	147%	2

EBITDA-MRI for the year 2020/21 shows an improved percentage against the previous year due to the higher surplus of £10.2m against £8.6m and secondly, lower interest payable costs due to lower interest payable in respect of the defined benefit pension scheme.

This year we did not meet the target for EBITDA-MRI, as a result of inclusion of the provision for future fire safety costs. This affects the capitalised repairs within the calculation by £9m and affects EBITDA-MRI by 189%. Without the fire safety provision, EBITDA-MRI would have been 393.1%.

**Benchmarking:** The 2020 sector data indicate a median of 147%. WCHG outperforms this because our effective interest rate is 3.91% which is lower than the sector average. Secondly, our gearing is low due in part to lower amounts of debt. Therefore, our interest payments annually are smaller than many. Hence, despite a lower operating surplus percentage than others, our operating surplus is measured against a smaller interest payment so an improved EBITDA-MRI is recorded.

Future targets for EBITDA-MRI reflect the targeted operating surplus improvements described above but also increased interest payments. The target for 2020/21 at 301.7% is higher than the future years because of the deferral of some major repairs spend as a result of the impact on operations of the Covid-19 pandemic.

### 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.

	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>New supply delivered (social housing) %</b>	0.3%	0.9%	0.6%	1.3%	2
<b>New supply delivered (non-social housing) %</b>	0.1%	0.1%	0.2%	0.0%	1

During the year, the Group completed 130 social housing and 19 non-social housing units against a budget of 80 social and 24 non-social housing units. The majority of the units were linked to the completion of our largest site to date, Scholars Field, comprising of 147 units, of which 100 social and 17 non-social were delivered this year. Another site of 18 social units, Woodhouse Lane, was also completed. The rest of the positive variance on social housing to target and previous years was related to properties bought back from previous Right to Buys. Non- social housing units were below target. Of the 24 unit target, 19 were achieved. This was due to 3 outright sales units being flipped to shared ownership and 2 market rent buy backs not materialising.

**Benchmarking:** The Development Strategy and Business Plan include the delivery of over 1,000 new units across a six-year period, increasing the ratio to 1.3% by 2024/25, the current sector median.

Our supply of non-social housing is already ahead of the sector median for Registered Providers of our size. We will continue to build and acquire market rent properties and build and sell outright sale properties to cross subsidise our mixed tenure sites. This will enhance our non-social housing percentage.

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**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 ratio is different to the 'financial indebtedness' ratio required by our funders, which is an alternative measure of gearing.

	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>Gearing</b>	29.0%	23.5%	25.3%	49.8%	4

The Group's gearing ratio fell to 23.5% this year due to the large levels of cash reserves held at the year end. We had forecast to have cash balances of £25m in the original budget but actually held £31m. This was a rise from the prior year balance of £13m. The rise was due to two factors, firstly Covid-19 decreased spending for a longer period than expected with no reduction in the collection of rental income. Whilst we ultimately had greater development expenditure than was anticipated in the budget revised for the estimated impact of the pandemic, sales levels and grants rates were also higher. This meant that overall the net development position was £2.7m higher in cash terms by year end. Hence overall from the operational and capital programme, a large cash surplus was generated.

**Benchmarking:** WCHG is not as highly geared as other organisations of our size. This is because we have not borrowed as much due to a historically smaller development programme. Also, significantly, our properties are valued at deemed costs which means our gearing is significantly lower than it would be if based on historic costs. This affected lowered the gearing by 13% last year and 11% this year.

Our gearing will increase over time as we start to draw down on our revolving facility. We anticipate to increase gearing to 27.9% by 2024/25.

### 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.

	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>Reinvestment</b>	5.6%	6.0%	2.7%	7.3%	3

The reinvestment percentage at 6.0% is similar to last year's performance however, it had been expected that it was going to be far lower at 2.7%. The heightened percentage is due to the provision of £9m for fire safety works. This has increased the percentage from 3.3% to 6.0%. Whilst this appears to indicate that the expenditure is this year, it is an accounting entry and the cash spend and improvement works will be performed over the next 4 years.

The other smaller difference is an improved spend on development against the budget adding a further 0.5% above the target.

**Benchmarking:** The 2020 Sector median is higher than our target for the year and our performance for 2020/21. We anticipate that as the development programme expands that our reinvestment performance will improve and we will move towards and beyond the sector median for our size of Registered Provider. It also worth note, that again if our properties were listed at historic cost rather than deemed costs, our reinvestment percentage for 2021 would be 1.4% higher.

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**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	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>Return on Capital Employed</b>	2.4%	2.7%	2.9%	3.8%	2

The ROCE percentage in 2020/21 has increased from the prior year due to a higher operating surplus as noted earlier.

The depreciation adjustment due to the fire safety works reducing the useful economic life of components has reduced the current year's operating margin and the fire safety provision increased the asset base. Both factors meant the Group did not meet the 2.9% target for 2020/21. Without these factors ROCE would have been 3.6%, albeit artificially higher because of the higher operating margin from the overall impact of Covid-19.

**Benchmarking:** The 2020 Regulator Value for Money Metrics data, indicates a national median of 3.80%. This is higher than our current position or forecast position over the next few years. This is a result of our historically low surpluses but also that the calculation then divides the surpluses over fixed assets. The Group's assets have been measured at deemed cost, this means that our assets are higher than other Registered Providers which chose not to adopt this methodology at the transition to FRS102. This creates an effect of reducing ROCE by 1%

Nevertheless, the Group acknowledges it wishes to improve the organisation's financial performance and resilience and generate larger surpluses. This in turn will increase the ROCE percentage over the next five years as documented by the table. This will position the Group's ROCE near the current median of the sector by 2024/25.

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

	2019/20	2020/21	Target 2020/21	Median – Peer Group 2019/20	Quartile – All RPs 2019/20
<b>Headline social housing cost per unit</b>	£3,851	£3,720	£3,239	£3,600	3
<b>Management</b>	£1,029	£927	£887		
<b>Service</b>	£408	£376	£398		
<b>Maintenance</b>	£718	£668	£856		
<b>Major repairs</b>	£1,562	£1,648	£979		
<b>Other social housing</b>	£133	£101	£119		

Overall social housing cost per unit at £3,720 is at a similar level to the previous year, however, when the £9m fire safety provision is stripped out the total cost per unit is £3,040. The fire safety provision is contained solely in the major repairs line and explains £680 of the value, major repairs without the fire safety provision would have been £968.

The pandemic's effects did last longer than expected, hence the level of costs generally was lower than even the target 2020/21 values which took account of the expected effects of Covid-19. The pandemic has caused reductions in management costs as we have been unable to spend to budget. There was a general reduction in the demand for maintenance across the lockdown periods, thus explaining the reduction per unit of maintenance costs. Similarly, some costs included in other social housing relating to community activities were reduced in scope due to restrictions. The impact of the pandemic on service costs was less, because activities

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

such as cleaning which were of greater importance and other services which operated at business as usual levels, for instance, ground maintenance and CCTV activities.

**Benchmarking:** The Value for Money Metrics and Reporting 2020 report, indicates the sector median is £3,600 for a Registered Provider of our size. The pandemic does make it difficult to compare this value, measured in a non-pandemic year, against our performance as almost every cost in 2020/21 was affected in some way. However, we do believe with the removal of the fire safety provision and a “normal” trading year, our position would have been close to the sector median.

In future, the cost per unit continues to rise. This is driven by further major works for fire safety and carbon reduction. Other costs do rise but only by inflation, the exception is management which has a provision for the reduction of costs across the organisation. We believe that this could be in any VFM category but for ease it has been included in management.

### **Assets**

Our Asset Management strategy sets the framework to drive value for money from our stock. We aim to increase the return on assets and have in place policies & standards that ensure assets are well maintained, comply with appropriate standards and are supported by management activities & interventions. The Group invested in Savills SHAPE asset performance model that enables NPV values to be routinely established, monitored and intelligently influence our annual plans & interventions. Annually, we 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 RP's 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.

Our stock is formally surveyed by external Chartered Surveyors to ensure a robust business planning process. A Stock Condition Survey was completed in 2018 and repeated during 2020/21 to further develop our intelligence and focus on carbon reduction planning. During the year, the Group developed its new Carbon Reduction Strategy and made provision within the Business plan to achieve SAP level C for all stock by 2028 which is 2 years ahead of the current 2030 national target. Further modelling work will continue as long term net zero costs will be incorporated into the NPV modelling work during 2021, enhancing further our intelligence and investment decisions.

The Group continues to manage adherence to various standards such as 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 drive towards upper quartile performance measures on turnover, demand, letting times, void costs and compliance.

Going forward the Group will continue to develop our commitment to long term carbon reduction across property assets and business operations. This is a key commitment for Greater Manchester Registered Providers and is contained within the Group's longer term corporate objectives.

### **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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

**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 2021, 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 2021 was as detailed in the table below. Note that this was in the name of the former Group entities Parkway Green Housing Trust (PGHT) and Willow Park Housing Trust (WPHT). This incorporates a £90m note purchase agreement with M&G Investments (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).

Trust	Funder	Loan Facility	Loans drawn	Loans undrawn	Security	Asset Cover Ratio*
PGHT	NatWest	£36m	£21m	£15m	£65.3m	165% (110%)
PGHT	M&G	£25m	£25m	N/A	£41.3m	157% (105%)
WPHT	NatWest	£25m	N/A	£25m	£41.0m	149% (110%)
WPHT	M&G	£65m	£65m	N/A	£108.9m	160% (105%)

\*funding agreement covenants included in brackets

A restatement of the NatWest loan facilities was agreed before the end of the financial year, but was only formally completed on 8 April 2021. The key elements of the restatement were as follows:

- Restated facility is in the name of Wythenshawe Community Housing Group Limited
- Total facility remains at £61m, including no change to the £21m existing fixed rate loans
- Restructuring of £40m revolving credit facilities, with improved margins and extended availability periods
- Redefined interest cover covenants, increasing covenant headroom
- Increased on-lending limits, both internally and externally
- Allows for transition to SONIA from LIBOR as revolving credit facilities are drawn

Based on asset cover requirements of 110%, the Group has scope for additional funding of c.£270m. 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 2021 all drawn debt is at fixed rates - £90m (from M&G) is at 3.4%, whilst the NatWest £21m has an average fixed rate of 6.13%.

The Group's effective interest rate for 2020/21 was 3.91% which is lower than the sector's average effective interest rate of 4.1% for 2019/20 (Source: Regulator of Social Housing: 2020 Global Accounts of private registered providers).

### Post Balance Sheet Events

There have been no events since 31 March 2021 that have had a significant effect on the Group's financial position shown within these financial statements.

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### Principal risks and uncertainties

The Group has a risk management strategy 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, Group Audit & Risk Committee, the Executive team and operational managers. The Group risk management processes include, but are not limited to:

- A Group 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
- Established stress testing and regular valuation of cumulative risk exposures
- A strategic risk register with regular updates to the Board and Group Audit & Risk Committee

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, and reputational damage. We have a higher level of risk appetite for development, business change and transformation. The Risk Appetite levels have been reviewed and updated during the year to reflect the risk implications of Covid-19.

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 'Covid Chaos', a multi-variate stress test designed to model potential long term impacts of the ongoing pandemic. The Board also looked at other multi-variate stress tests based on the simultaneous crystallisation of risks from the strategic risk register. Annually the Board reviews a recovery plan, which focuses on 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.

During the year the biggest single risk to crystallise both for the business and our customers was Covid-19. The Board have been provided with regular updates throughout the year on the actual and potential impacts of the pandemic on the business and customers and the risk mitigations and other actions put in place. The safety of customers and staff has been the Board's priority throughout the pandemic period.

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

<b>Key Risks</b>	<b>Key Mitigations &amp; Actions</b>
<p><b><u>Covid Pandemic</u></b></p> <ul style="list-style-type: none"> <li>• <b>Continuity of services</b></li> <li>• <b>Impacts on customers</b></li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Plan 2020-22 includes Strategic Objectives covering support for residents and community</li> <li>• Treasury Policy revised to increase cash holdings</li> <li>• Regular updates to Board and additional board meetings</li> <li>• Close partnership working with local authority, NHS and voluntary and community groups</li> <li>• Regular reviews of service delivery and working practices to take account of government guidance and changing restrictions</li> <li>• Development of agile working policy and reassessment of office provision</li> </ul>

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<p><b><u>Customers</u></b></p> <ul style="list-style-type: none"> <li>• <b>Resident Engagement</b></li> <li>• <b>Customer Experience</b></li> <li>• <b>Value for money</b></li> </ul>	<ul style="list-style-type: none"> <li>• External review of Resident Engagement undertaken with detailed action plan for strengthening range and types of engagement opportunities</li> <li>• Customer Panels aligned to the four corporate plan themes</li> <li>• Regular performance reporting to Tenant Committee and Board</li> <li>• Customer Experience Baseline Project to understand how customers experience services and identify opportunities to improve</li> <li>• Transformation Programme delivering programme of service improvement and change projects</li> <li>• Review of VFM and Asset Management strategies</li> </ul>
<p><b><u>Safety</u></b></p> <ul style="list-style-type: none"> <li>• <b>Fire Safety</b></li> <li>• <b>Health &amp; Safety</b></li> <li>• <b>Safeguarding</b></li> </ul>	<ul style="list-style-type: none"> <li>• Regular Board reporting and oversight</li> <li>• Dedicated specialist personnel</li> <li>• Updated Fire Risk Assessments and planned implementation of recommendations</li> <li>• Third party compliance testing and checking</li> <li>• Project to implement people and process changes to ensure compliance with emerging Fire Safety requirements</li> <li>• Accounts provision for costs of Fire Safety Work</li> <li>• Safeguarding Review undertaken and Safeguarding Policy revised</li> <li>• Safeguarding group incorporating considerations around impact of COVID-19</li> </ul>
<p><b><u>Income</u></b></p> <ul style="list-style-type: none"> <li>• <b>Rental Income</b></li> <li>• <b>Property Sales</b></li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring external environment and regular reporting to Board</li> <li>• Stress testing against range of adverse scenarios</li> <li>• Development Committee oversight of development programme</li> <li>• Prudent accounts assumptions on rent arrears and property sales</li> </ul>
<p><b><u>Data Governance</u></b></p> <ul style="list-style-type: none"> <li>• <b>Data Security</b></li> <li>• <b>Data Accuracy</b></li> </ul>	<ul style="list-style-type: none"> <li>• Regular penetration testing</li> <li>• ISO 27001 accreditation</li> <li>• Mandatory annual GDPR/e-learning for all staff including focus on remote working risk</li> <li>• Rollout of software to reduce data leakage risk</li> <li>• Phishing simulation and e-learning system introduced</li> <li>• Development of Data Strategy</li> </ul>

Approved by



**Simon Morris**  
**Executive Director of Finance**  
**26 July 2021**

## 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 2021, which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Association Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the Association Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent Association's affairs as at 31 March 2021 and of the Group and Parent Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

#### Basis for opinion

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under that Act. 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 society 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

We are responsible for concluding on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or Parent Association to cease to continue as a going concern.

In our evaluation of the Board's conclusions, we considered the inherent risks associated with the Group's and Parent Association's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Board and the related disclosures and analysed how those risks might affect the Board's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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.

The responsibilities of the Board with respect to going concern are described in the 'Responsibilities of Board for the financial statements' section of this report.

### Other information

The Board is responsible for the other information. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

### Responsibilities of the board for the financial statements

As explained more fully in the Statement of Board's Responsibilities 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 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 intend to liquidate the Group or Parent Association, 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.

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

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Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent society and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), Housing SORP 2018, Accounting Direction for Private Registered Providers of Social Housing 2019, Co-operative and Communities Benefit Societies Act 2014 and National Housing Federation's 2015 Governance Code.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Challenge assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing journal entries; and
  - Identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group and Parent Association's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
  - the Group and Parent Association's control environment, including management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations, the adequacy of procedures for authorisation of transactions, and procedures to ensure that possible breaches of law and regulations are appropriately resolved.
- We enquired of management and the Board of Directors about the group's policies and procedures relating to the identification, evaluation and compliance with laws and regulations and the detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud or noncompliance with laws and regulations.
- We enquired of management and the Board of Directors, whether they were aware of any instances or noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

**WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

**Use of our report**

This report is made solely to the society's members, as a body, in accordance with regulations made under Sections 87 and 98(7) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Manchester

Date: 4/8/2021

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

	Note	2021 £000	Restated 2020 £000
Turnover	3	73,024	66,476
Cost of sales	3	(9,940)	(5,104)
Operating costs	3	(55,910)	(56,740)
Movement in fair value of investment properties	3	436	511
Surplus on sale of fixed assets – housing properties	6	3,074	4,042
		<hr/>	<hr/>
<b>Operating surplus</b>		<b>10,684</b>	<b>9,185</b>
Movement in fair value of financial instruments	25	899	(756)
Interest receivable and other income	7	21	57
Interest payable and similar charges	8		
- Loan interest		(4,240)	(4,365)
- Non utilisation fees		(220)	(235)
Other finance charges	32	(403)	(716)
		<hr/>	<hr/>
<b>Surplus on ordinary activities before taxation</b>		<b>6,741</b>	<b>3,170</b>
Tax on surplus on ordinary activities	11	4	(145)
		<hr/>	<hr/>
<b>Surplus for the financial year</b>		<b>6,745</b>	<b>3,025</b>
<b>Actuarial (loss)/gain in respect of pension schemes</b>	32	<b>(16,259)</b>	<b>14,358</b>
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>(9,514)</b>	<b>17,383</b>

The operating surplus for the year arises from the Group's continuing operations. Details of the restatement of the prior year are on page 56.

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 26 July 2021 and are signed on its behalf by:

*Bishop David Walker*

**Bishop David Walker**  
Chair of the Board

*Anthony Bell*

**Anthony Bell**  
Chair of Audit & Risk

*Simon Morris*

**Simon Morris**  
Secretary

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Statement of Comprehensive Income - Association for the year ended 31 March 2021

	Note	2021 £000	Restated 2020 £000
Turnover	3	73,429	66,476
Cost of sales	3	(10,341)	(5,104)
Operating costs	3	(55,852)	(56,940)
Movement in fair value of investment properties	3	436	511
Surplus on sale of fixed assets – housing properties	6	3,074	4,042
		<hr/>	<hr/>
<b>Operating surplus</b>		<b>10,746</b>	<b>8,985</b>
Movement in fair value of financial instruments	25	899	(756)
Interest receivable and other income	7	34	57
Interest payable and similar charges	8		
- Loan interest		(4,240)	(4,365)
- Non utilisation fees		(220)	(235)
Other finance charges	32	(403)	(716)
Gift Aid		-	83
		<hr/>	<hr/>
<b>Surplus on ordinary activities before taxation</b>		<b>6,816</b>	<b>3,053</b>
Tax on surplus on ordinary activities	11	-	(134)
		<hr/>	<hr/>
<b>Surplus for the financial year</b>		<b>6,816</b>	<b>2,919</b>
<b>Actuarial (loss)/gain in respect of pension schemes</b>	32	<b>(16,259)</b>	<b>14,358</b>
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>(9,443)</b>	<b>17,277</b>

The operating surplus for the year arises from the Group's continuing operations. Details of the restatement of the prior year are on page 56.

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 26 July 2021 and are signed on its behalf by:

*Bishop David Walker*

**Bishop David Walker**  
Chair of the Board

*Anthony Bell*

**Anthony Bell**  
Chair of Audit & Risk

*Simon Morris*

**Simon Morris**  
Secretary

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Consolidated Statement of Changes in Reserves for the year ended 31 March 2021

	Income and expenditure reserve £000	Restricted reserve £000	Revaluation reserve £000	Total £000
Balance at 1 April 2019	109,739	60	87,584	197,383
Deficit for the year	3,026	-	-	3,026
Other comprehensive income for the year	14,358	-	-	14,358
Transfer from revaluation reserve to income and expenditure reserves	5,007	-	(5,007)	-
Transfer from income and expenditure reserves to restricted reserves	-	-	-	-
Balance at 1 April 2020	132,130	60	82,577	214,767
Surplus for the year	6,745	-	-	6,745
Other comprehensive income for the year	(16,259)	-	-	(16,259)
Transfer from revaluation reserve to income and expenditure reserves	4,965	-	(4,965)	-
Transfer from income and expenditure reserves to restricted reserves	60	(60)	-	-
<b>Balances at 31 March 2021</b>	<b>127,641</b>	<b>-</b>	<b>77,612</b>	<b>205,253</b>

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 2021**

	Income and expenditure reserve £000	Restricted reserve £000	Revaluation reserve £000	Total £000
Balance at 1 April 2019	109,800	60	87,584	197,444
Deficit for the year	2,919	-	-	2,919
Other comprehensive income for the year	14,358	-	-	14,358
Transfer from revaluation reserve to income and expenditure reserves	5,007	-	(5,007)	-
Transfer from income and expenditure reserves to restricted reserves	-	-	-	-
Balance at 1 April 2020	132,084	60	82,577	214,721
Surplus for the year	6,816	-	-	6,816
Other comprehensive income for the year	(16,259)	-	-	(16,259)
Transfer from revaluation reserve to income and expenditure reserves	4,965	-	(4,965)	-
Transfer from income and expenditure reserves to restricted reserves	60	(60)	-	-
<b>Balances at 31 March 2021</b>	<b>127,666</b>	<b>-</b>	<b>77,612</b>	<b>205,278</b>

The accompanying notes form part of these financial statements.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Consolidated Statement of Financial Position as at 31 March 2021

	Note	2021 £000	2020 £000
<b>Intangible fixed assets</b>	12	434	630
<b>Tangible fixed assets</b>			
Housing properties	13	339,352	336,715
Other tangible fixed assets	14	8,849	9,634
Investment Properties	15	7,221	6,483
Investment in Joint Venture	17	306	107
Investment	18	20	20
<b>Total fixed assets</b>		<b>356,182</b>	<b>353,589</b>
<b>Current assets</b>			
Properties for sale	19	3,374	9,448
Stock	20	49	66
Debtors	21	4,979	3,703
Cash and cash equivalents		31,066	13,045
		39,468	26,262
<b>Creditors: Amounts falling due within one year</b>	23	(10,012)	(14,516)
<b>Net current assets</b>		<b>29,456</b>	<b>11,746</b>
<b>Total assets less current liabilities</b>		<b>385,638</b>	<b>365,335</b>
<b>Creditors: amounts falling due after more than one year</b>	24	136,320	133,499
<b>Provisions for liabilities:</b>			
Defined benefit pension liability	32	34,666	17,068
Other provisions	33	9,399	-
		180,385	150,567
<b>Total net assets</b>		<b>205,253</b>	<b>214,768</b>
<b>Capital and reserves</b>			
Non-Equity share capital	34	-	-
Revenue reserve	35	127,641	132,131
Revaluation reserve	36	77,612	82,577
Restricted reserve	37	-	60
		205,253	214,768

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 26 July 2021 and are signed on its behalf by:

*Bishop David Walker*

**Bishop David Walker**  
Chair of the Board

*Anthony Bell*

**Anthony Bell**  
Chair of Audit & Risk

*Simon Morris*

**Simon Morris**  
Secretary

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Statement of Financial Position – Association as at 31 March 2021

	Note	2021 £000	2020 £000
<b>Intangible fixed assets</b>	12	434	630
<b>Tangible fixed assets</b>			
Housing properties	13	339,406	336,715
Other tangible fixed assets	14	8,849	9,634
Investment Properties	15	7,221	6,483
Investment	18	20	20
<b>Total fixed assets</b>		<b>355,930</b>	<b>353,482</b>
<b>Current assets</b>			
Properties for sale	19	2,664	9,448
Stock	20	49	66
Debtors	21	4,906	3,820
Cash and cash equivalents		31,058	12,963
		<u>38,677</u>	<u>26,297</u>
<b>Debtors:</b> Amounts falling due after more than one year	22	991	-
<b>Creditors:</b> Amounts falling due within one year	23	(9,935)	(14,491)
<b>Net current assets</b>		<b>29,733</b>	<b>11,806</b>
<b>Total assets less current liabilities</b>		<b>385,663</b>	<b>365,288</b>
<b>Creditors:</b> amounts falling due after more than one year	24	136,320	133,499
<b>Provisions for liabilities:</b>			
Defined benefit pension liability	32	34,666	17,068
Other provisions	33	9,399	-
		<u>180,385</u>	<u>150,567</u>
<b>Total net assets</b>		<b>205,278</b>	<b>214,721</b>
<b>Capital and reserves</b>			
Non-Equity share capital	34	-	-
Revenue reserve	35	127,666	132,084
Revaluation reserve	36	77,612	82,577
Restricted reserve	37	-	60
		<u>205,278</u>	<u>214,721</u>

The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 26 July 2021 and are signed on its behalf by:

*Bishop David Walker*  
Bishop David Walker  
Chair of the Board

*Anthony Bell*  
Anthony Bell  
Chair of Audit & Risk

*Simon Morris*  
Simon Morris  
Secretary

**WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED****Consolidated Statement of Cash Flows  
for the year ended 31 March 2021**

	Note	2021 £000	2020 £000
<b>Net cash inflow from operating activities</b>	38	<b>39,772</b>	<b>16,956</b>
<b>Cash flow from investing activities</b>			
Purchase and construction of housing properties	13	(20,439)	(18,690)
Purchase of tangible fixed assets	14	(456)	(87)
Purchase of intangible fixed assets	12	-	(458)
Purchase of investment properties	15	(302)	-
Proceeds from sale of housing properties	6	4,099	5,727
Interest received	7	21	58
		<b>(17,077)</b>	<b>(13,450)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(4,475)	(4,580)
Investment in Joint Venture		(199)	-
Taxation		-	(145)
		<b>(4,674)</b>	<b>(4,725)</b>
<b>Net change in cash</b>		<b>18,021</b>	<b>(1,219)</b>
<b>Cash at beginning of the year</b>		<b>13,045</b>	<b>14,264</b>
<b>Cash at the end of the year</b>		<b>31,066</b>	<b>13,045</b>

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 2021

#### 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 2019.

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;
- Disclosures in respect of related party transactions with fellow wholly owned group undertakings consolidated in the accounts of WCHG.

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 Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2021/22 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board considered it appropriate to approve (on 27 July 2020) the previous financial statements for the year ended 31 March 2020 on a going concern basis, despite the ongoing Covid-19 pandemic, which has subsequently continued for the whole financial year ended 31 March 2021. At the date of approval of these latest financial statements to 31 March 2021, the Government has relaxed restrictions related to Covid-19, allowing a return, in at least the short term, to a more 'normal' life for the tenants and employees of WCHG and the wider population.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

As demonstrated by these financial statements, the ongoing pandemic has actually had a beneficial impact on the financial performance of the organisation in the financial year ended 31 March 2021, with current tenant arrears showing a small improvement and underlying operating margins increasing quite significantly to 9.8% from 7% (even after the impact of a significant provision for fire safety costs).

However, in full consideration of the Covid-19 pandemic and its likely financial effect, the Executive Team and Board agreed a return to more standard assumptions for the 2021/22 budget and thirty year business plan. In agreeing those assumptions, the Board again reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the business plan, including reductions in rental income collected and changes to economic indicators such as inflation. The Board will continue to review the business plan with the Executive Team to make any necessary changes and continue to work with our customers and stakeholders to deliver exceptional services in an effective, solution-focused way.

Towards the end of the financial year, the Group refreshed the availability of its undrawn loan facilities, totalling £40m, demonstrating the confidence of funders.

Additionally, the Board has considered the ongoing impact of Brexit following the end of the Brexit transition period on 31 December 2020. As a result of minimal impact on activities thus far, the Board do not expect Brexit, within a period of 12 months from the approval of these financial statements, to significantly impact the finances of the Group.

When combining the above with the strength of the balance sheet (as demonstrated by the gearing ratio in the Value for money section on page 25), the Board believe that, whilst some uncertainty remains, there are no circumstances that pose a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the approval of the financial statements. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

### **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. This year, following an external valuation, Parkway Green House has been impaired by £788k to a value of £1.950m.
- v. **Fire safety provision** – A significant amount of fire safety works are required to be completed over a period of four years from the date of these financial statements. The Board considers that the actions of the organisation during the period gave rise to a constructive obligation, as a result of a past event, therefore a capital provision of £9.399m has been recognised in accordance with the relevant accounting standards, with the associated treatment of property components to be replaced. 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

- 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 29. The liability as at 31 March 2021 was £34.666m.
- 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 £10.396m at 31 March 2021 (2020: £11.296m). The movement in the fair value of financial instruments recognised in the Statement of Comprehensive Income for the year is £899k (2020: (£756k))
- 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, £5.289m is based on contracted tender costs and £4.110m is based on Employer's Agent estimates, although the latter will be liable to variation when the work is put out to tender, due to market forces
- 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 is 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 2021 using the merger method of accounting as required.

### Merger Accounting

On 31 March 2021 the Group completed a restructure which included transfers of engagement from Parkway Green Housing Trust and the legacy Parent Association to the Association. As part of the same restructure, Garden City Trading Limited and Garden City Design and Build Limited became subsidiaries of the Association. This combination meets the requirements of a merger as set out in Section 34 of FRS 102 (public benefit combinations). As such the Group and Association financial statements have been represented as though the combined Group and Association had been in existence throughout the current and comparative periods. Further details of the restructure are recorded in note 42.

In the Group's financial statements, merged subsidiary undertakings are treated as if they had already been a member of the Group. The results of such a subsidiary are included for the whole period in the year it joins the Group. The corresponding figures for the previous year

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

include its results for the period and the assets and liabilities at the previous Statement of Financial Position date as if they had always been in use.

### 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 VAT where recoverable) 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. 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 as turnover upon receipt and are eliminated on consolidation.

### 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 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

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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.

### **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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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 a deemed costs 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 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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 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.

### Disposal Proceeds Fund (DPF)

Up to 31 March 2017 receipts from the sale of SHG funded properties less the net book value of the property and the costs of disposal were credited to the DPF, this creditor is being carried forward until it is used to fund the acquisition of new social housing within the allotted time frames.

### 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:

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Structure	100 years
Roof	70 years
Wiring	40 years
Canopies	35 years
Doors	35 years
Windows	30 years
Consumer Units (Electrical CU)	30 years
Central Heating	30 years
Bathrooms	30 years
PV Panels	20 years
Kitchens	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

Annually housing properties are assessed 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.

### 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### Stock

Stock relates to items that are held on 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.

### 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 12 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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 33 represents the planned fire safety works over the next 4 years. The works includes the replacement of doors and external panels across the stock to bring them in line with current fire standards. Of the provision of £9,399k, £9,301k is capital expenditure and £98k is revenue expenditure recognised through the Statement of Comprehensive Income.

### 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**

	2021					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
<b>Social housing activities</b>						
Income & expenditure from lettings	62,085	-	-	-	(55,682)	6,403
<b>Other social housing activities</b>						
First Tranche shared ownership sales	5,420	-	-	(5,040)	-	380
Other	228	-	-	-	(228)	-
<b>Non-social housing activities</b>						
Other	5,291	-	-	(4,900)	-	391
<b>Movement in fair value of investment properties (note 15)</b>			436	-	-	436
<b>Surplus on sales of fixed assets - housing properties (note 6)</b>		3,074	-	-	-	3,074
<b>Total</b>	<b>73,024</b>	<b>3,074</b>	<b>436</b>	<b>(9,940)</b>	<b>(55,910)</b>	<b>10,684</b>

	2020 Restated					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
<b>Social housing activities</b>						
Income & expenditure from lettings	60,364	-	-	-	(56,489)	3,875
<b>Other social housing activities</b>						
First Tranche shared ownership sales	2,724	-	-	(2,304)	-	420
Other	251	-	-	-	(251)	-
<b>Non-social housing activities</b>						
Other	3,137	-	-	(2,800)	-	337
<b>Movement in fair value of investment properties (note 15)</b>			511	-	-	511
<b>Surplus on sales of fixed assets - housing properties (note 6)</b>		4,042	-	-	-	4,042
<b>Total</b>	<b>66,476</b>	<b>4,042</b>	<b>511</b>	<b>(5,104)</b>	<b>(56,740)</b>	<b>9,185</b>

^ Following a review of the costs some items were recategorised within the Value for Money (VFM) framework. Moreover, some incomes, previously netted off costs have now been disclosed in turnover. This has adjusted Note 3 for 19/20 and as a result, the note and the subsequent VFM metrics have been restated. This is discussed further in the VFM report on page 22. The turnover in 2019/20 was £63,986 and is now £66,476k and the operating costs were £55,340k and are now £56,739k and finally the surplus on sale of assets was £4,055k and is now £4,042k. There is no impact on the overall reported operating surplus for the year ended 31 March 2020 as a result of the adjustment.

**WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED****3. Turnover, cost of sales, operating costs and operating surplus (continued)**  
**Continuing activities – Association**

	2021					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
<b>Social housing activities</b>						
Income & expenditure from lettings	62,085	-	-	-	(55,624)	6,461
<b>Other social housing activities</b>						
First Tranche shared ownership sales	5,420	-	-	(5,050)	-	370
Other	228	-	-	-	(228)	-
<b>Non-social housing activities</b>						
Other	5,291	-	-	(4,906)	-	385
Development Services	327	-	-	(311)	-	16
Corporate Services	78	-	-	(74)	-	4
<b>Movement in fair value of investment properties (note 15)</b>			436	-	-	436
<b>Surplus on sales of fixed assets - housing properties (note 6)</b>		3,074	-	-	-	3,074
<b>Total</b>	<b>73,429</b>	<b>3,074</b>	<b>436</b>	<b>(10,341)</b>	<b>(55,852)</b>	<b>10,746</b>

	2020 Restated					
	Turnover £000	Sale on surplus of housing properties £000	Fair value movement £000	Cost of Sales £000	Operating Costs £000	Operating Surplus £000
<b>Social housing activities</b>						
Income & expenditure from lettings	60,364	-	-	-	(56,689)	3,675
<b>Other social housing activities</b>						
First Tranche shared ownership sales	2,724	-	-	(2,304)	-	420
Other	251	-	-	-	(251)	-
<b>Non-social housing activities</b>						
Other	3,137	-	-	(2,800)	-	337
<b>Movement in fair value of investment properties (note 15)</b>			511	-	-	511
<b>Surplus on sales of fixed assets - housing properties (note 6)</b>		4,042	-	-	-	4,042
<b>Total</b>	<b>66,476</b>	<b>4,042</b>	<b>511</b>	<b>(5,104)</b>	<b>(56,940)</b>	<b>8,985</b>

**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**

	2021			2020 Restated		
	General Housing £000	Supported Housing £000	Total £000	General Housing £000	Supported Housing £000	Total £000
<b>Turnover from social housing lettings</b>						
Rent receivable net of identifiable service charges	58,422	1,016	59,438	57,023	961	57,984
Service charges receivable	544	227	771	445	154	599
<b>Net rental income</b>	<b>58,966</b>	<b>1,243</b>	<b>60,209</b>	<b>57,468</b>	<b>1,115</b>	<b>58,583</b>
VAT shelter income	40	-	40	89	-	89
Amortised government grants	359	-	359	300	-	300
Government grants	743	-	743	-	-	-
Other revenue grants	590	17	607	1,252	17	1,269
Other income	111	16	127	107	16	123
<b>Turnover from social housing lettings</b>	<b>60,809</b>	<b>1,276</b>	<b>62,085</b>	<b>59,216</b>	<b>1,148</b>	<b>60,364</b>
<b>Expenditure on social housing lettings</b>						
Management Services	(12,507)	(164)	(12,671)	(13,860)	(121)	(13,981)
Routine maintenance	(4,468)	(673)	(5,141)	(4,843)	(700)	(5,543)
Planned maintenance	(9,019)	(119)	(9,138)	(9,678)	(84)	(9,762)
Major repairs expenditure	(2,511)	(33)	(2,544)	(3,553)	(31)	(3,584)
Other social housing expenditure	(6,787)	(89)	(6,876)	(8,304)	(67)	(8,371)
Bad Debts	(1,139)	(15)	(1,154)	(1,543)	(13)	(1,556)
Depreciation and amortisation charges	(223)	(3)	(226)	(356)	(3)	(359)
Impairment losses	(13,223)	(174)	(13,397)	(11,449)	(115)	(11,564)
Accelerated depreciation on fire safety costs	(788)	-	(788)	-	-	-
Accelerated depreciation on disposal of components	(3,183)	-	(3,183)	-	-	-
	(564)	-	(564)	(1,769)	-	(1,769)
<b>Operating costs on social housing lettings</b>	<b>(54,412)</b>	<b>(1,270)</b>	<b>(55,682)</b>	<b>(55,355)</b>	<b>(1,134)</b>	<b>(56,489)</b>
<b>Operating surplus on social housing lettings</b>	<b>6,397</b>	<b>6</b>	<b>6,403</b>	<b>3,861</b>	<b>14</b>	<b>3,875</b>
Void losses	(354)	(35)	(389)	(423)	(6)	(429)



## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Proceeds from sale of non-social housing units	3,569	970	3,569	970
Enterprise Centre	166	157	166	157
Active Lifestyle Centre	294	310	294	310
Motiv8	261	342	261	342
Youth Projects	242	332	242	332
Village 135 - Bistro	13	24	13	24
CCTV	10	58	10	58
Market rent	333	300	333	300
Garage rent	48	88	48	88
Ground rent	5	5	5	5
Telecoms masts	147	112	147	112
Solar panels	47	49	47	49
Rechargeable repairs	(52)	264	(52)	264
Other income	208	126	208	126
Development Services	-	-	327	-
Corporate Services	-	-	78	-
	<u>5,291</u>	<u>3,137</u>	<u>5,696</u>	<u>3,137</u>

### 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:

	2021 Units	2020 Units
General needs housing – social rent	12,443	12,478
- affordable rent	747	723
Supported housing - social rent	81	81
Supported housing - affordable rent	100	100
Rent To Buy	38	4
Market rent	42	40
Market rent - Step Down	5	5
Shared ownership	265	202
Outright Sales	3	-
<b>Total units owned and managed</b>	<u>13,724</u>	<u>13,633</u>
Developed in the period	120	45
Acquired in the period	14	11
Converted from storage	3	-
Demolished in the period	-	(31)
Disposed in the period	(1)	(2)
Tenure transfer	-	(1)
Right to Buys in the period	(36)	(43)
Right to Acquires in the period	(8)	(20)
Full staircasing	(1)	(3)
<b>Movement in period</b>	<u>91</u>	<u>(44)</u>
<b>Accommodation in development at the period end</b>	<u>113</u>	<u>252</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 5. Operating surplus

This is arrived at after charging:

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Depreciation of housing properties	15,540	11,133	15,540	11,133
Accelerated depreciation on disposal of components	564	1,769	564	1,769
Depreciation of tangible fixed assets - other	453	412	453	412
Amortisation of intangible fixed assets	196	-	196	-
Amortisation of finance charges	392	22	392	22
Impairment costs	788	-	788	-
Operating lease rentals				
- land and buildings	9	9	9	9
- vehicles	537	552	537	552
- office equipment	21	57	21	57
External Auditors' remuneration (excluding VAT)				
- fees payable to the Group's auditors for the financial statements audit	45	12	45	12
- audit of the accounts of subsidiaries	13	40	-	39
- Other services – tax compliance	12	14	12	14
- tax advisory	10	31	10	31
- VAT	-	28	-	28
-employee benefits	1	4	1	4

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

	2021 £000	2020 £000
Proceeds from disposals of housing properties	4,199	5,800
Carrying value of fixed assets	(1,024)	(1,643)
Other costs of sales	(101)	(73)
<b>Surplus on sale of fixed assets</b>	<b>3,074</b>	<b>4,084</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 7. Interest receivable and other income

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Interest receivable and similar income	21	57	34	57
	<u>21</u>	<u>57</u>	<u>34</u>	<u>57</u>

### 8. Interest payable and similar charges

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Loan interest	4,344	4,366	4,344	4,366
Capitalised interest	(104)	-	(104)	-
Non utilisation fees	220	235	220	235
	<u>4,460</u>	<u>4,601</u>	<u>4,460</u>	<u>4,601</u>

### 9. Employees – Group & Association

The average number of persons employed during the period was:

	2021 Average Number	2020 Average Number
Administration	122	121
Asset management and development	235	271
Housing support and care	69	76
Regeneration	86	75
	<u>512</u>	<u>543</u>

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

	2021 Average FTEs	2020 Average FTEs
Administration	110	108
Asset management and development	232	268
Housing support and care	69	75
Regeneration	70	60
	<u>481</u>	<u>511</u>

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

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

Staff costs for the above persons:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Administration	5,475	5,325
Asset management and development	8,890	9,628
Housing support and care	2,429	2,484
Regeneration	1,970	1,882
	<u><b>18,764</b></u>	<u><b>19,319</b></u>

Employee costs:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	14,722	15,065
Social security costs	1,404	1,413
Other pension costs	2,638	2,841
	<u><b>18,764</b></u>	<u><b>19,319</b></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 32.

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 2021 the contributions paid by the Group into the scheme were £268,275 (2020: £199,945).

### 10. Directors' and senior staff emoluments

The directors and senior staff costs detailed below for 2021 and 2020 are the full costs before transfer priced out from the parent company.

The aggregate remuneration for key management personnel charges, which includes the Executive Directors and other members of the senior management team, in the year is:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Basic salary	667	531
Benefits in kind	59	48
Employers NI contributions	92	93
Pension contributions	87	84
	<u><b>905</b></u>	<u><b>756</b></u>

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Emoluments of the highest paid Director, excluding pension costs	155	107
Pension costs of highest paid Director	11	25
Benefits in kind of highest paid Director	10	10

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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

	2021 Number	2020 Number
£60,000 to £70,000	10	11
£70,000 to £80,000	2	3
£80,000 to £90,000	3	2
£90,000 to £100,000	3	4
£100,000 to £110,000	1	-
£110,000 to £120,000	1	2
£120,000 to £130,000	1	-
£130,000 to £140,000	1	1
£140,000 to £150,000	-	-
£150,000 to £160,000	-	-
£160,000 to £170,000	1	-

The 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 Chief Executive.

No emoluments were paid to the Board members during the year (2020: £nil).

Expenses paid during the year to members of the Board amounted to £nil (2020: £nil).

### 11. Taxation on deficit from ordinary activities

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Current taxation reconciliation</b>				
Surplus on ordinary activities before taxation	6,741	3,026	6,816	3,053
Theoretical tax at UK corporation tax rate 19% (2020: 19%)	1,281	575	1,295	575
Effects of:				
- income not subject to corporation tax	(1,264)	(564)	(1,283)	(575)
- deferred tax not recognised	(17)	-	(12)	-
- Prior year tax adjustment	(4)	134	-	134
<b>Current taxation charge</b>	<b>(4)</b>	<b>145</b>	<b>-</b>	<b>134</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 12. Intangible fixed assets Group and Association

	Telecom Licenses £000	Software Licences £000	Total £000
<b>Cost</b>			
At 1 April 2020	249	630	879
Additions	-	-	-
At 31 March 2021	<u>249</u>	<u>630</u>	<u>879</u>
<b>Amortisation</b>			
At 1 April 2020	249	-	249
Charge for year	-	196	196
At 31 March 2021	<u>249</u>	<u>196</u>	<u>445</u>
<b>Net book value</b>			
At 31 March 2021	<u>-</u>	<u>434</u>	<u>434</u>
At 31 March 2020	<u>-</u>	<u>630</u>	<u>630</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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
<b>Cost</b>						
At 1 April 2020	376,090	6,943	11,458	5,124	2,335	401,950
Additions	-	3,816	187	1,361	-	5,364
Properties acquired	1,963	-	-	-	-	1,963
Works to existing properties	12,892	-	220	-	-	13,112
Schemes completed	6,765	(6,765)	5,996	(5,996)	-	-
Disposals	(1,161)	(151)	(596)	(5)	-	(1,913)
Disposals of components	(864)	-	-	-	-	(864)
At 31 March 2021	<u>395,685</u>	<u>3,843</u>	<u>17,265</u>	<u>484</u>	<u>2,335</u>	<u>419,612</u>
<b>Depreciation</b>						
At 1 April 2020	63,724	-	575	-	936	65,235
Charge for year	15,037	-	386	-	117	15,540
Released on disposal	(209)	-	(6)	-	-	(215)
Disposal of components	(300)	-	-	-	-	(300)
At 31 March 2021	<u>78,252</u>	<u>-</u>	<u>955</u>	<u>-</u>	<u>1,053</u>	<u>80,260</u>
<b>Net book value</b>						
At 31 March 2021	<u>317,433</u>	<u>3,843</u>	<u>16,310</u>	<u>484</u>	<u>1,282</u>	<u>339,352</u>
At 31 March 2020	<u>312,366</u>	<u>6,943</u>	<u>10,883</u>	<u>5,124</u>	<u>1,399</u>	<u>336,715</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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

Expenditure on works to existing properties:

	2021 £000	2020 £000
Improvement works capitalised	13,112	9,276
Amounts charges to income and expenditure account	6,876	8,371
<b>Total</b>	<b>19,988</b>	<b>17,647</b>

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:

	2021 £000	2020 £000
Historical cost	354,649	336,987
Depreciation and impairment	(121,548)	(106,523)
	<u>233,101</u>	<u>230,464</u>

#### Social housing assistance

	2021 £000	2020 £000
Total accumulated SHG receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	63,874	63,515
Held as deferred income	22,526	18,624
	<u>86,400</u>	<u>82,139</u>

#### Housing properties book value, net of depreciation and grants comprises:

	2021 £000	2020 £000
Freehold land and buildings	339,352	336,715
	<u>339,352</u>	<u>336,715</u>

#### Impairment

The trust 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.

#### Finance Costs

The Group capitalises finance costs at the effective interest rate of 3.91%. Total capitalised interest for year was £104k.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 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 Panels	Total housing properties
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 April 2020	376,090	6,943	11,458	5,124	2,335	401,950
Additions	-	3,858	187	1,373	-	5,418
Properties acquired	1,963	-	-	-	-	1,963
Works to existing properties	12,892	-	220	-	-	13,112
Schemes completed	6,783	(6,783)	6,006	(6,006)	-	-
Disposals	(1,161)	(151)	(596)	(5)	-	(1,913)
Disposals of components	(864)	-	-	-	-	(864)
At 31 March 2021	<u>395,703</u>	<u>3,867</u>	<u>17,275</u>	<u>486</u>	<u>2,335</u>	<u>419,666</u>
<b>Depreciation</b>						
At 1 April 2020	63,724	-	575	-	936	65,235
Charge for year	15,037	-	386	-	117	15,540
Released on disposal	(209)	-	(6)	-	-	(215)
Disposal of components	(300)	-	-	-	-	(300)
At 31 March 2021	<u>78,252</u>	<u>-</u>	<u>955</u>	<u>-</u>	<u>1,053</u>	<u>80,260</u>
<b>Net book value</b>						
At 31 March 2021	<u>317,451</u>	<u>3,867</u>	<u>16,320</u>	<u>486</u>	<u>1,282</u>	<u>339,406</u>
At 31 March 2020	<u>312,366</u>	<u>6,943</u>	<u>10,883</u>	<u>5,124</u>	<u>1,399</u>	<u>336,715</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

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

Expenditure on works to existing properties:

	2021 £000	2020 £000
Improvement works capitalised	13,112	9,276
Amounts charges to income and expenditure account	6,897	8,371
<b>Total</b>	<b><u>20,009</u></b>	<b><u>17,647</u></b>

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:

	2021 £000	2020 £000
Historical cost	354,703	336,987
Depreciation and impairment	(121,548)	(106,523)
	<b><u>233,155</u></b>	<b><u>230,464</u></b>

#### Social housing assistance

	2021 £000	2020 £000
Total accumulated SHG receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	63,874	63,515
Held as deferred income	22,526	18,624
	<b><u>86,400</u></b>	<b><u>82,139</u></b>

#### Housing properties book value, net of depreciation and grants comprises:

	2021 £000	2020 £000
Freehold land and buildings	339,406	336,715
	<b><u>339,406</u></b>	<b><u>336,715</u></b>

#### Impairment

The trust 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.

#### Finance Costs

The Group capitalises finance costs at the effective interest rate of 3.91%. Total capitalised interest for year was £104k.

**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
<b>Cost</b>									
At 1 April 2020	345	372	13,438	154	776	62	2,392	1,287	18,826
Additions	-	-	-	53	-	-	403	-	456
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2021	345	372	13,438	207	776	62	2,795	1,287	19,282
<b>Depreciation and Impairment</b>									
At 1 April 2020	345	-	4,414	81	772	62	2,231	1,287	9,192
Depreciation charge for the year	-	-	253	33	4	-	163	-	453
Depreciation on disposal	-	-	-	-	-	-	-	-	-
Impairment charge in the year <sup>^</sup>	-	-	788	-	-	-	-	-	788
At 31 March 2021	345	-	5,455	114	776	62	2,394	1,287	10,433
<b>Net book value</b>									
At 31 March 2021	-	372	7,983	93	-	-	401	-	8,849
At 31 March 2020	-	372	9,024	73	4	-	161	-	9,634

<sup>^</sup> This year Parkway Green House has been impaired by £788k to a value of £1.950m, following an external valuation.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 15. Investment properties - non-social housing properties held for letting

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2020	6,483	6,175
Additions	302	35
Disposals	-	(238)
Increase in value	436	511
At 31 March 2021	<u><b>7,221</b></u>	<u><b>6,483</b></u>

Investment properties were valued as at 31 March 2021. The Group's investment properties have been valued by RSC 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.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 17. Investment in Joint Venture

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Investment in Joint Venture	306	107	-	-
	<u>306</u>	<u>107</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 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 7 years totalling up to £3.0m, which will be funded by an intra-group loan from Wythenshawe Community Housing Group. The Group's Executive Director of Finance acts as the Chair of GMJV Fundco LLP. The above balance reflects the total investment to date.

### 18. Investment

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £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 2021.

### 19. Properties for Sale

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Shared ownership properties:</b>				
Completed properties	1,714	463	1,717	463
Work in progress	424	4,975	426	4,975
	<u>2,138</u>	<u>5,438</u>	<u>2,143</u>	<u>5,438</u>
<b>Outright sale properties:</b>				
Completed properties	520	1,480	521	1,480
Work in progress	716	2,530	-	2,530
	<u>1,236</u>	<u>4,010</u>	<u>521</u>	<u>4,010</u>
	<u>3,374</u>	<u>9,448</u>	<u>2,664</u>	<u>9,448</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 20. Stock

	Group		Association	
	2021	2020	2021	2020
	£000	£000	£000	£000
Materials	49	66	49	66
	<u>49</u>	<u>66</u>	<u>49</u>	<u>66</u>

### 21. Debtors

	Group		Association	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Due within one year</b>				
Rent and service charges receivable	4,258	4,428	4,258	4,415
Less: provision for bad and doubtful debts	(1,831)	(2,444)	(1,831)	(2,444)
	<u>2,427</u>	<u>1,984</u>	<u>2,427</u>	<u>1,971</u>
Amounts owed by subsidiaries	-	-	-	172
Other debtors	610	748	540	706
Corporation tax receivable	4	-	-	-
Prepayments and accrued income	1,938	971	1,939	971
<b>Total due within one year</b>	<u>4,979</u>	<u>3,703</u>	<u>4,906</u>	<u>3,820</u>

### 22. Debtors: amounts due after one year

	Group		Association	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Due after one year</b>				
Amounts owed by subsidiaries	-	-	991	-
<b>Total due within one year</b>	<u>-</u>	<u>-</u>	<u>991</u>	<u>-</u>

WCHG has lent Garden City Trading Ltd £991k for the investment in the Greater Manchester Joint Venture and for development of properties for sale.

The loan for the investment into GMJV Fundco LLP is repayable on the seventh anniversary of the loan agreement date, 15 April 2026 and interest is payable at a rate of 6%. The balance at 31 March 2021 is £310k.

The loan for the development of the outright sale units is repayable on the sale of the units, expected to be in 2022. Interest is payable on this loan at a rate of 4.9%. The balance at 31 March 2021 is £681k.

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

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 23. Creditors: amounts falling due within one year

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Rents and service charges received in advance	2,532	1,629	2,532	1,629
VAT	35	35	35	35
Trade creditors	1,040	1,733	1,040	1,732
Corporation Tax	-	11	-	-
Other creditors	43	115	43	102
Deferred grant income (Note 28)	462	392	462	392
Disposal Proceeds Fund (Note 26)	-	1,569	-	1,569
Recycled Capital Grant Fund (Note 27)	43	-	43	-
Leaseholder sinking fund balances	1,042	565	1,042	565
Accruals and deferred income	4,815	8,467	4,731	8,467
Amounts owed to subsidiaries	-	-	7	-
	<u>10,012</u>	<u>14,516</u>	<u>9,935</u>	<u>14,491</u>

### 24. Creditors: amounts falling due after one year

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Housing loans net of arrangement fee (Note 25)	114,256	114,905	114,256	114,905
Leaseholder sinking funds balances	-	362	-	362
Deferred grant income (Note 28)	22,064	18,232	22,064	18,232
	<u>136,320</u>	<u>133,499</u>	<u>136,320</u>	<u>133,499</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 25. Debt analysis

	Group		Association	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Due within one year</b>				
Bank loans	-	-	-	-
	-	-	-	-
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Due after more than one year</b>				
Other loans	90,000	90,000	90,000	90,000
Bank loans	20,860	20,609	20,860	20,609
Fair value adjustment	3,396	4,296	3,396	4,296
	<b>114,256</b>	<b>114,905</b>	<b>114,256</b>	<b>114,905</b>

The Group's loan facilities incorporate a £90m note purchase agreement with M&G Investments (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 2021).

A restatement of the NatWest loan facilities was agreed before the end of the financial year, but was only formally completed on 8 April 2021. The key elements of the restatement were as follows:

- Restated facility is in the name of Wythenshawe Community Housing Group Limited
- Total facility remains at £61m, including no change to £21m fixed rate loans
- Restructuring of £40m revolving credit facilities, with improved margins and extended availability periods
- Redefined interest cover covenants, increasing covenant headroom
- Increased on-lending limits, both internally and externally
- Allows for transition to SONIA from LIBOR as revolving credit facilities are drawn

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 £10.396m at 31 March 2021 (2020: £11.296m). The movement in the fair value of financial instruments recognised in the Statement of Comprehensive income for the year is £(899k) (2020: £756k).

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. Disposal Proceeds Fund

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1st April	1,569	1,421	1,569	1,421
Net proceeds recycled	-	1,137	-	1,137
Interest accrued	(2)	4	-	4
Acquisition of dwellings for letting	(1,567)	(993)	(1,569)	(993)
<b>Balance as at 31 March</b>	<b>-</b>	<b>1,569</b>	<b>-</b>	<b>1,569</b>
	<b>2021 £000</b>	<b>2020 £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
Amounts to be released within one year	-	1,569	-	1569
Amounts to be released in more than one year	-	-	-	-
	<b>-</b>	<b>1,569</b>	<b>-</b>	<b>1,569</b>

During the year to 31 March 2021, £108k of the funds have been used for the development of Woodhouse Lane, £700k for the Greenbrow Road development and £759k for the development at The Willows.

### 27. Recycled Capital Grant Fund

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1st April	-	-	-	-
Grant recycled	43	-	43	-
Interest accrued	-	-	-	-
Recycling of grant	-	-	-	-
<b>Balance as at 31 March</b>	<b>43</b>	<b>-</b>	<b>43</b>	<b>-</b>
	<b>2021 £000</b>	<b>2020 £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
Amounts to be released within one year	43	-	43	-
Amounts to be released in more than one year	-	-	-	-
	<b>43</b>	<b>-</b>	<b>43</b>	<b>-</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 28. Deferred Grant

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1 April 2020	18,624	18,167	18,624	18,167
Grant received in the year	4,261	1,836	4,261	1,836
Grant disposed in the year	-	(1,079)	-	(1,079)
Released to income in the year	(359)	(300)	(359)	(300)
At 31 March 2021	<u>22,526</u>	<u>18,624</u>	<u>22,526</u>	<u>18,624</u>

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Amounts to be released within one year	462	392	462	392
Amounts to be released in more than one year	22,064	18,232	22,064	18,232
At 31 March 2021	<u>22,526</u>	<u>18,624</u>	<u>22,526</u>	<u>18,624</u>

### 29. Capital commitments

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Expenditure contracted but not provided in the accounts	6,735	15,391	5,903	15,391
Expenditure authorised by the Board but not contracted	34,453	26,760	34,453	26,760
	<u>41,188</u>	<u>42,151</u>	<u>40,356</u>	<u>42,151</u>

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 grant income, loan facilities and revenue income through rent received, outright and shared ownership sales.

### 30. Lease commitments

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

	Group		Association	
	2021 £000	2020 £000	2021 £000	2020 £000
Vehicles				
Minimum lease payments	856	905	856	905
Split between:				
Within one year	467	487	467	487
One to five years	389	418	389	418
	<u>856</u>	<u>905</u>	<u>856</u>	<u>905</u>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 31. Contingent liabilities

The Parent and its subsidiaries have no contingent liabilities to disclose at 31 March 2021 (2020: £nil).

### 32. 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 2021 in accordance with the financial assumptions required under FRS 102 by a qualified independent actuary.

#### Contributions

The employers' contributions to the GMPF by the Group for the period 1 April 2020 to 31 March 2021 were £2,379k (2020: £2,652k) and the employers' minimum contribution rate was 22.1% (Willow Park) / 22.1% (Parkway Green) of pensionable pay until 31 March 2021.

#### Assumptions

	2021 %pa	2021 %pa	2020 %pa	2020 %pa
	Willow Park	Parkway Green	Willow Park	Parkway Green
Rate of increase in salaries	3.60%	3.55%	2.70%	2.60%
Rate of increase in pensions in payment	2.85%	2.80%	1.90%	1.80%
Discount rate	2.00%	2.05%	2.30%	2.30%

#### Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 mode, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% 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:

	March 2021	
	Males	Females
Current Pensioners	20.5 years	23.3 years
Future Pensioners	21.9 years	25.3 years
	March 2020	
	Males	Females
Current Pensioners	20.5 years	23.1 years
Future Pensioners	22.0 years	25.0 years

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 32. Pension Obligations (continued)

#### Fair value and expected return on assets

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

	<u>2021</u>	<u>2020</u>
	Long Term Return	Long Term Return
	%pa	%pa
Equity	72%	69%
Bonds	12%	15%
Property	7%	7%
Cash	9%	9%

Employer's contributions for the year ended 31 March 2022 are predicted to be £2,379k.

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.

	<u>2021</u>	<u>2020</u>
	£000	£000
Fair value of the above assets related to the Trust	116,252	94,900
Present value of liabilities	<u>(150,918)</u>	<u>(111,968)</u>
<b>Deficit related to the Trust</b>	<b>(34,666)</b>	<b>(17,068)</b>

#### Recognition in the surplus of deficit

	<u>2021</u>	<u>2020</u>
	£000	£000
Current service cost	3,303	4,810
Past service cost	12	7
Interest income on plan assets	(2,192)	(2,502)
Interest cost	<u>2,595</u>	<u>3,218</u>
<b>Total charged to the Statement of Comprehensive Income</b>	<b>3,718</b>	<b>5,533</b>

Of the above costs £3,315k (2020: £4,817k) has been charged to operating surplus and £403k (2020: £716k) has been charged other finance/income cost.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 32. Pension Obligations (continued)

#### Reconciliation of defined benefit obligation

	2021 £000	2020 £000
<b>Opening defined benefit obligation</b>	<b>111,968</b>	<b>131,397</b>
Current service cost	3,303	4,810
Past service cost	12	7
Interest cost	2,595	3,218
Contributions by members	715	758
Actuarial losses/(gains)	34,448	(26,206)
Estimated benefits paid	(2,123)	(2,016)
<b>Closing defined benefit obligation</b>	<b>150,918</b>	<b>111,968</b>

#### Reconciliation of fair value of employer assets

	2021 £000	2020 £000
<b>Opening fair value of employer assets</b>	<b>94,900</b>	<b>102,852</b>
Expected return on assets	2,192	2,502
Contributions by members	715	758
Contributions by the employer	2,379	2,652
Actuarial gains/(losses)	18,189	(11,848)
Benefits paid	(2,123)	(2,016)
<b>Closing fair value of employer assets</b>	<b>116,252</b>	<b>94,900</b>

#### Contributions paid to the defined contribution pension scheme.

	2021 £000	2020 £000
Contributions paid	269	200

### 33. Provision for liabilities

	2021 £000	2020 £000
Balance as at 1 April	-	-
Increase in the provision	9,399	-
Released in the year	-	-
<b>Balance as at 31 March</b>	<b>9,399</b>	<b>-</b>

The provision above represents the planned fire safety works over the next 4 years. The works includes the replacement of doors and external panels across the stock to bring them in line with current fire standards. Of the provision above £9,301k is capital expenditure and £98k is revenue expenditure recognised through the Statement of Comprehensive Income. Some of costs are based on estimate as tenders have yet to be received. Therefore, there is potential uncertainty over costs.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 34. 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.

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Number of members		
At 1 April 2020	6	6
Joined during the year	5	1
Leaving during the year	(2)	(1)
At 31 March 2021	<u><u>9</u></u>	<u><u>6</u></u>

### 35. Revenue Reserves

The Revenue Reserve of £127.641m (2020: £132.131m) represents the accumulated surpluses from the preceding and current financial years as detailed above. It also includes a transfer from the revaluation reserve of the depreciation charge in respect of the revaluation uplift of the housing properties.

### 36. Revaluation Reserves

The Revaluation Reserve of £77.612m (2020: £82.577m) represents the difference on transition between the fair value of housing properties and the historical cost carrying value. Each year an element is transferred to reserves, being the depreciation charge in respect of the revaluation uplift of the asset. This is an accounting reserve, not a cash reserve.

### 37. Restricted Reserves

The restricted reserve of £nil (2020: £60k) represents funds earmarked for a particular purpose and is subject to external restrictions.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 38. Reconciliation of operating surplus to net cash inflow from operating activities

	2021 £000	2020 £000
<b>Surplus for the year</b>	<b>6,745</b>	<b>3,026</b>
Amortisation of finance charges	392	22
Depreciation of tangible fixed assets - properties	15,540	11,133
Depreciation of tangible fixed assets - other	453	412
Accelerated depreciation on disposal of components	564	1,769
Depreciation on intangible fixed assets	196	-
Impairment losses	788	-
Movement in fair value of investment properties	(436)	(511)
Pension current service cost	3,303	4,810
Pension past service cost	12	7
Pension contributions paid	(2,379)	(2,652)
Surplus on sale of fixed assets – housing properties	(3,074)	(4,084)
Movement in fair value of financial instruments	(899)	756
Carrying amount of tangible fixed asset	674	242
Interest payable	4,460	4,601
Interest received	(21)	(58)
Pension interest costs	403	716
	<b>26,721</b>	<b>20,189</b>
<b>Working capital movements</b>		
Decrease/(Increase) in properties for sale	6,074	(3,160)
Decrease in stock	17	35
(Increase) in debtors	(1,277)	(16)
(Decrease) in creditors	(1,162)	(92)
Increase in provisions	9,399	-
<b>Net cash inflow from operating activities</b>	<b>39,772</b>	<b>16,956</b>

### 38a. Analysis of changes in net debt

	At 1 April 2020 £000	Cashflows £000	Fair Value movement £000	Other non- cash movements £000	At 31 March 2021 £000
Cash	13,045	18,021	-	-	<b>31,066</b>
Bank loans due greater than one year	(114,905)	-	899	(250)	<b>(114,256)</b>
<b>Total</b>	<b>(101,860)</b>	<b>18,021</b>	<b>899</b>	<b>(250)</b>	<b>(83,190)</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 39. Related parties

Wythenshawe Community Housing Group Limited is a member of JV North Limited, a Homes England development partnership. The Group paid JV North £20k (2020: £12k) in fees during the year ended 31 March 2021. At the year-end there was a balance of £nil (2020: £1,404) on the purchase ledger. During the year to 31 March 2021 the Group received £1,698k towards development projects from Homes England.

Nicholas Horne is a Director of the Wythenshawe Forum Trust and Athena, a GMHP delivery vehicle. Transactions with Wythenshawe Forum Trust amounted to £19k (2020: £66k) during the year, with no outstanding balance on the purchase ledger at 31 March 2021. There were no transactions with Athena during the year.

Sarah Russell is a local councillor and also a Board member, she does not have any contractual arrangements with the Group.

The following transactions were undertaken with Manchester City Council during the year, sales of £702k (2020: £1.197k) and purchases of £801k (2020: £846k). At 31 March 2021 the Group owed £8k (2020: £35k) to Manchester City Council and were owed £360k (2020: £102k) by Manchester City Council.

Clare Flynn  
Eula Mesquita

The above are/were tenant Board members during the year. At 31 March 2021 the aggregate value of rent arrears was £135.03 in credit.

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.

The Association had the following transactions and balances with its subsidiaries during the year.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Wythenshawe Community Housing Group Limited</b>		
Amounts due to/(from) Garden City Design & Build Limited	2	(65)
Amounts due to Garden City Trading Limited	5	-
Loan due from Garden City Trading Limited	991	-
<b>Purchases from group companies</b>		
Design and build contracts from Garden City Design & Build Limited	7,768	13,071
<b>Sales to group companies</b>		
Development services to Garden City Design & Build Limited	327	-
Corporate services to Garden City Design & Build Limited	62	74
Corporate services to Garden City Trading Limited	16	-
Land sale to Garden City Trading Limited	235	-
Interest on loan to Garden City Design & Build Limited	21	-
<b>Donations from group companies</b>		
Gift aid from Garden City Design & Build Limited	-	82

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 40. Financial assets and liabilities

	2021 £000	2020 £000
Financial assets that are debt instruments measured at amortised cost:		
Cash	31,066	13,045
Rent arrears due	2,427	1,938
Leasehold arrears due	126	130
Accounts receivable	384	421
Other debtors	100	200
<b>Total for assets</b>	<b><u>34,103</u></b>	<b><u>15,734</u></b>
Financial liabilities measured at fair value through surplus or deficit:		
Loans	(24,256)	(24,905)
Financial liabilities measured at amortised cost:		
Loans	(90,000)	(90,000)
Bank overdraft	-	-
Trade creditors	(1,040)	(1,731)
Rent received in advance	(2,532)	(1,630)
Other creditors	(43)	(115)
Accruals	(4,815)	(8,466)
Leaseholder sinking fund balance	(1,042)	(928)
<b>Total for liabilities</b>	<b><u>(123,728)</u></b>	<b><u>(127,775)</u></b>

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

	2021 £000	2020 £000
Fixed rate	114,256	114,905
Floating rate	-	-
Total borrowings	<b><u>114,256</u></b>	<b><u>114,905</u></b>

The debt maturity profile is shown in note 25.

The Group has undrawn committed borrowing facilities at 31 March 2021 of £40m (2020: £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 2021 is £10,396k (2020: £11,295k). The movement in fair value, £899k (2020: £(756)k) has been recognised through the surplus or deficit.

## WYTHENSHAWE COMMUNITY HOUSING GROUP LIMITED

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

### 41. Investment in Joint Ventures

Wythenshawe Community is part of a consortium of eight registered providers who have invested in a company limited by guarantee, JV North Limited. The nature of this company is to act as a vehicle to expand the partner's 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, Cavendish 249, Cavendish Street, Ashton Under Lyme, OL6 7AT (Jigsaw Housing).

The Group through its commercial subsidiary (Garden City Trading Limited) has also agreed up to a £3.0m investment (for a period of 7 years) in GMJV Fundco LLP, which in turn will invest in a further joint venture entity, Hive Homes LLP, a joint venture between the Greater Manchester Combined Authority (GMCA) and GMJV Fundco LLP (GMHP). 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 Executive Director of Finance is the appointed Chair of GMJV Fundco LLP.

### 42. Restructure

On 31 March 2021, Willow Park Housing Trust, Parkway Green Housing Trust and Wythenshawe Community Housing Group Limited (legacy parent association) undertook a Group consolidation.

At 31 December 2020, Wythenshawe Community Housing Group Limited, Willow Park Housing Trust and Parkway Green Housing Trust converted their corporate status from charitable companies limited by guarantee to charitable community benefit societies pursuant to section 115 of the Co-operative and Community Benefit Societies Act 2014.

The Transfer of Engagements took place on 31 March 2021. Wythenshawe Community Housing Group Limited and Parkway Green Housing Trust transferred their assets and undertakings to Willow Park Housing Trust by means of a transfer of engagements pursuant to section 110 of the Co-operative and Community Benefit Societies Act 2014.

At the same time that the Transfer of Engagements took place, Willow Park Housing Trust changed its name to Wythenshawe Community Housing Group Limited (the Parent Association).

The Board are satisfied that the Group restructure meets the criteria of a merger and so merger accounting has been applied to the 2020/21 accounts for both the Group and the Parent Association and the comparatives have been restated to include the results of the combining entities for 2019/20. The accounts of the Group therefore include the results of Wythenshawe Community Housing Group Limited, Parkway Green Limited, the legacy Parent, Garden City Trading Limited and Garden City Design and Build Limited for both periods. The accounts of the Parent Association include the results of Willow Park Housing Trust Limited, Parkway Green Housing Trust and the legacy Parent.

Any expenses relating to the merger have been taken to the profit or loss as incurred.

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 42. Restructure (continued)

The detail of the total comprehensive income for the year 1 April 2020 to 31 March 2021.

	Wythenshawe Community Housing Group £000	Willow Park Housing Trust £000	Parkway Green Housing Trust £000	Total for the year £000
Turnover	405	47,401	25,623	73,429
Cost of Sales	(385)	(9,320)	(636)	(10,341)
Operating costs before exceptional items	(1,586)	(31,964)	(22,302)	(55,852)
Movement in fair value of investment properties	-	271	165	436
Surplus on sale of fixed assets - housing properties	-	1,756	1,318	3,074
<b>Operating surplus</b>	<b>(1,566)</b>	<b>8,144</b>	<b>4,168</b>	<b>10,746</b>
Movement in fair value of financial instruments	-	-	899	899
Interest receivable and other income	-	22	12	34
Interest payable and similar charges	(9)	(2,380)	(2,071)	(4,460)
Other finance (charges)	-	(151)	(252)	(403)
Gift Aid	-	-	-	-
<b>Surplus on ordinary activities before taxation</b>	<b>(1,575)</b>	<b>5,635</b>	<b>2,756</b>	<b>6,816</b>
Tax on surplus on ordinary activities	-	-	-	-
<b>Surplus for the financial year</b>	<b>(1,575)</b>	<b>5,635</b>	<b>2,756</b>	<b>6,816</b>
Actuarial (loss) in respect of pension schemes	-	(9,961)	(6,298)	(16,259)
<b>Total comprehensive income for the year</b>	<b>(1,575)</b>	<b>(4,326)</b>	<b>(3,542)</b>	<b>(9,443)</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 42. Restructure (continued)

Analysis of the previous year's total comprehensive income:

	Wythenshawe Community Housing Group £000	Willow Park Housing Trust £000	Parkway Green Housing Trust £000	Total for the year £000
Turnover	7	40,933	25,536	66,476
Cost of Sales	-	(4,096)	(1,008)	(5,104)
Operating costs before exceptional items	(1,211)	(32,483)	(23,246)	(56,940)
Movement in fair value of investment properties	-	284	227	511
Surplus on sale of fixed assets - housing properties	-	1,786	2,256	4,042
<b>Operating surplus</b>	<b>(1,204)</b>	<b>6,424</b>	<b>3,765</b>	<b>8,985</b>
Movement in fair value of financial instruments	-	-	(756)	(756)
Interest receivable and other income	1	6	50	57
Interest payable and similar charges	-	(2,369)	(2,231)	(4,600)
Other finance (charges)	-	(453)	(263)	(716)
Gift Aid	-	-	83	83
<b>Surplus on ordinary activities before taxation</b>	<b>(1,203)</b>	<b>3,608</b>	<b>648</b>	<b>3,053</b>
Tax on surplus on ordinary activities	-	-	(134)	(134)
<b>Surplus for the financial year</b>	<b>(1,203)</b>	<b>3,608</b>	<b>514</b>	<b>2,919</b>
Actuarial gain in respect of pension schemes	-	9,138	5,220	14,358
<b>Total comprehensive income for the year</b>	<b>(1,203)</b>	<b>12,746</b>	<b>5,734</b>	<b>17,277</b>

## WYTHENSHAW COMMUNITY HOUSING GROUP LIMITED

### 42. Restructure (continued)

The carrying value of the net assets at the date of consolidation are as follows:

	Wythenshawe Community Housing Group £000	Willow Park Housing Trust £000	Parkway Green Housing Trust £000	Total £000
<b>Intangible fixed assets</b>	434	-	-	434
<b>Tangible fixed assets</b>				
Housing properties	52	208,790	130,564	339,406
Other tangible fixed assets	493	6,406	1,950	8,849
Investment Properties	-	4,686	2,535	7,221
Investments	20	-	-	20
	<b>999</b>	<b>219,882</b>	<b>135,049</b>	<b>355,930</b>
<b>Total fixed assets</b>				
<b>Current assets</b>				
Properties for sale	-	2,243	421	2,664
Stock	49	-	-	49
Debtors	2,275	1,342	1,289	4,906
Cash and cash equivalents	5,924	2,472	22,662	31,058
	<b>8,248</b>	<b>6,057</b>	<b>24,372</b>	<b>38,677</b>
Debtors: Amounts falling due after more than one year	-	991	-	991
<b>Creditors: Amounts falling due within one year</b>	<b>(4,380)</b>	<b>(3,213)</b>	<b>(2,342)</b>	<b>(9,935)</b>
<b>Net current assets</b>	<b>3,868</b>	<b>3,835</b>	<b>22,030</b>	<b>29,733</b>
<b>Total assets less current liabilities</b>	<b>4,867</b>	<b>223,717</b>	<b>157,079</b>	<b>385,663</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>-</b>	<b>(78,912)</b>	<b>(57,408)</b>	<b>(136,320)</b>
<b>Provisions for liabilities:</b>				
Defined benefit pension liability	-	(21,482)	(13,184)	(34,666)
Other provisions	-	(1,284)	(8,115)	(9,399)
<b>Total net assets</b>	<b>4,867</b>	<b>122,039</b>	<b>78,372</b>	<b>205,278</b>
<b>Capital and reserves</b>				
Revenue reserve	4,867	64,226	58,573	127,666
Revaluation reserve	-	57,813	19,799	77,612
Restricted reserve	-	-	-	-
	<b>4,867</b>	<b>122,039</b>	<b>78,372</b>	<b>205,278</b>

There have been no significant adjustments required to align accounting policies and there have been no further adjustments to net assets as a result of the group consolidation.