Onward Homes Limited

Annual Report and Financial Statements for the year ended 31 March 2024

FCA Registration number 17186R

RSH Registration number LH0250

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Annual Report and Financial Statements

BOARD AND ADVISORS

Members of the Board

Non-Executive Directors

Timothy Johnston (Chairman)

Rachel Barber

Dena Burgher

Wyn Dignan (resigned 31 January 2024)

Katherine Jones

Kieran Keane

Tina Kokkinos

Diana Hampson

Karl Tupling (appointed 1 February 2024)

Executive Directors

Bronwen Rapley, Chief Executive

Michael Gerrard, Executive Director (Finance) (resigned 31 October 2023)

Danielle James, Executive Director (Finance) (appointed 1 April 2024)

Alexander Livingstone, Executive Director (Property)

Matthew Saye, Executive Director (Operations)

Company Secretary

Catherine Farrington (resigned 16 February 2024)

Sara Byrne (appointed 16 February 2024)

Principal Banker

NatWest Group PLC
1 Hardman Boulevard,
Manchester, M3 3AQ

Principal Solicitors

Devonshires Solicitors LLP

Park House, Park Square West, Leeds, LS1 2PW

Trowers & Hamlins LLP

55 Princess Street, Manchester M2 4EW

External Auditor

BDO LLP

3 Hardman Street, Spinningfields, Manchester, M3 3AT

Internal Auditor

Beever and Struthers LLP

One Express, 1 George Leigh Street, Ancoats, Manchester, M4 5DL

STRATEGIC REPORT

Introduction

The Board presents its Strategic Report, containing the Operating and Financial Review and value for money report, for the year ended 31 March 2024.

Overview and background

Onward Homes Limited was formed in September 1965 as a Housing Association based in Merseyside. It is a subsidiary of Onward Group Limited (the “Group”). Over the years the Association has grown by developing homes and by acquiring homes from other Housing Associations. It now operates across the Northwest and fulfils its charitable objectives by offering a large portfolio of affordable rented homes for those in housing need, low cost home ownership products and associated services.

Onward (the “Group”) is one of the largest housing and regeneration organisations operating in the Northwest of England. Our vision and corporate objectives reflect the priorities, needs and aspirations of our customers.

Our Strategy

Our focus continues to be to adapt and evolve the business so that we continue to deliver our Corporate Plan that we have called the ‘Onward Difference’.

The Onward Difference is the positive difference we will make by enabling people and communities to be their best. Onward will do this by providing homes that our customers and tenants love, in places they are proud of and by working with partners to go beyond housing and invent new ways to do more.

We have defined the following strategic objectives to support delivery of the Onward Difference:

1. Be the social landlord of choice
2. Improve the experience for those living in our communities and neighbourhoods
3. Grow where we can deliver a better service and make a positive difference.

These are supported by two enabling objectives:

1. Build an Onward environment and culture
2. Be well governed and make the best use of resources.

As an organisation we have embedded our values which underpin our vision;

1. **Creativity** in our approach and ambition
2. **Excellent** at delivering meaningful services
3. **Respectful** to our customer and each other

Legal structure

Onward Homes Limited is a wholly owned subsidiary of Onward Group and is the largest and only charitable subsidiary in the Group owning around 30,000 social and affordable homes. Onward Homes delivers the majority of services to customers. Onward Homes holds an interest in joint venture S4B Limited which delivers the PFI contract for Manchester City Council in the Brunswick area of the city. Onward Homes delivers the housing management contract.

Atrium City Living Limited

A wholly owned subsidiary of Onward Homes Limited. As well as its investment in the Greater Manchester Joint Venture (GMJV). In 2022/23 Atrium held an investment in CRDP Developments LLP – a joint venture with Seddon construction to build homes in Goosnargh, Preston. This joint venture concluded in March 2023 with the final homes being completed and sold.

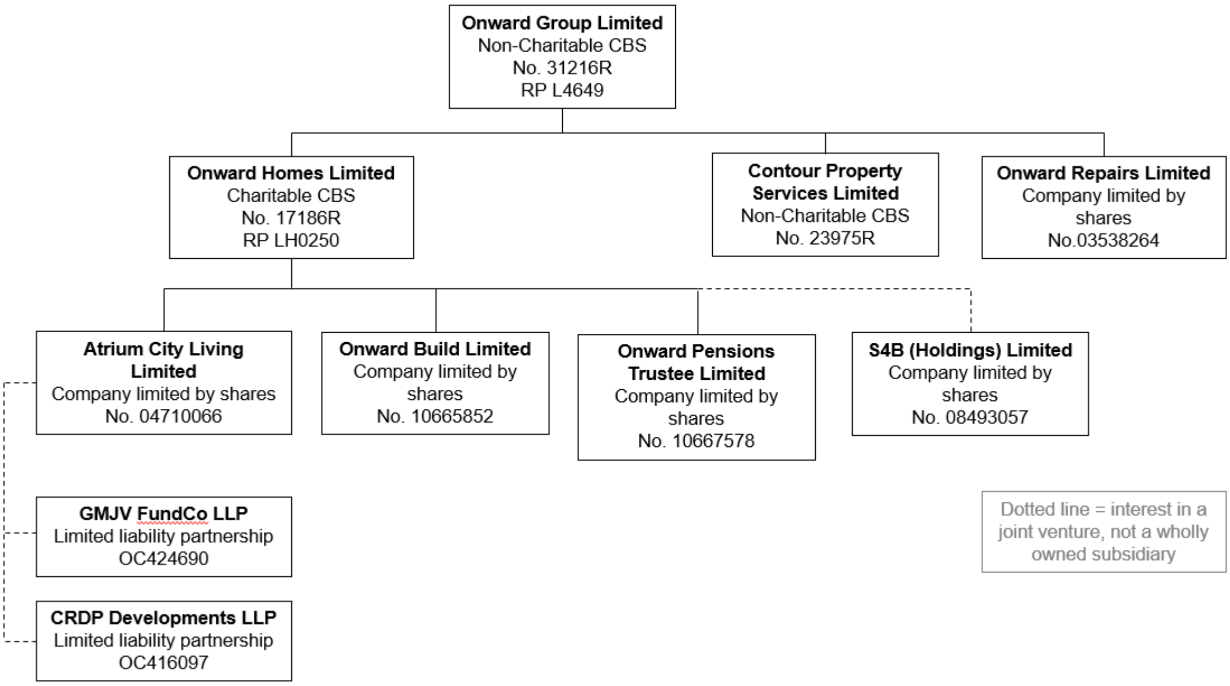
Onward Build Limited

A wholly owned subsidiary of Onward Homes and is a development company which delivers development services to Onward Homes as well as building and units for outright sale. Onward Build has been selected to deliver the Group’s flagship development schemes at Basford East and Helsby. These schemes will deliver over 350 new homes for affordable rent, shared ownership and market sale.

Legal structure (continued)

Onward Pension Trustee Limited

A wholly owned subsidiary of Onward Homes Limited and is Trustee of the Onward Pension Plan scheme. Its purpose is to provide the professional trustee services on behalf of Onward Homes Limited for the Onward Pension Plan scheme. This Company is currently dormant.



The Group is governed by a common Board which acts as the Board for Onward Group and Onward Homes. It has responsibility for Group oversight and ensuring consistency of strategy, service and compliance.

Financial review

The Association has made a surplus before tax for the year of £15.1m (2023: £16.9m) This has been a challenging period for the Association due to increased demand for services such as repairs, and damp and mould coupled with increasing costs due to economic and regulatory factors. Rent increases during the financial year were capped in line with government policy, with increases being capped at 7%. During the period, The Group has been subject to price increases exceeding this level, and as such has absorbed much of these additional costs. This has put pressure on the operating surplus in 2024. The surplus as a percentage of turnover is 7.9% (2023: 9.9%).

Overall turnover increased to £189.3m in 2024 (2023: £171.4m) – an increase of 10% following the application of a 7% rent increase, increased sales proceeds on first tranche sales as well as the handover of new homes developed for affordable rent.

The Association ended the year with cash and short-term investments of £14.4m (2023: £46.5m). The movement in the cash position is a result of development spend partially offset by an increase in subsequent sales.

All surpluses achieved will be used to increase future investments in our homes, services and neighbourhoods.

In March 2023 the Association successfully renegotiated a permanent amendment to covenant calculations and limits set by lenders to remove major repair spend from the interest cover covenant. As a result, limits are now higher and so is headroom which allows the Association more flexibility to deliver the 30-year business plan. EBITDA MRI is still used as a key metric to monitor performance.

Financial review (continued)

Lender covenants are based on Onward Homes only as all external financing sits within the Association. Based on the tightest lender covenant interest cover (which measures the extent to which the surplus covers interest payments) is 351% in 2024 (2023: 440%). Gearing (which measures the level of indebtedness using the value for money metrics definition) has changed during the year to 25.0% (2023: 27.4%). These ratios remain comfortably within the levels permitted by funders' loan agreements and contribute to the Moodys' A1 rating.

As part of producing the business plan the Association undertakes robust sensitivity and stress testing to understand the impact on covenants and other key financial metrics. The analysis shows that should any emergencies arise the Association has significant control over its expenditure to respond and mitigate any risk of a breach.

Finance metrics	2024/25	2025/26	2026/27	2027/28	2028/29
Reinvestment %	11.90%	11.90%	8.90%	8.60%	9.00%
Gearing %	28.00%	31.50%	32.60%	35.00%	37.00%
EBITDA only Interest Cover Ratio	337.00%	358.00%	369.00%	341.00%	305.00%
Operating Margin % SHL Only	16.40%	17.70%	20.80%	22.50%	22.30%
Operating Margin % Overall	13.90%	16.40%	21.60%	24.90%	23.70%
ROCE %	1.90%	2.30%	2.90%	3.10%	3.10%

Operating review

The Group's annual performance has remained relatively stable despite the challenges of increased demand and costs for services such as repairs, and damp and mould coupled with increasing costs due to economic and regulatory factors. The cost of living also continues to be a challenge for our customers and there has been continued focus on controlling spend and maximising income in areas that are within Onwards control.

To meet these challenges, Onward's corporate plan looks to improve services to customers, improve efficiency by leveraging technology and implementing new ways of working and delivery models through an Evolution program. This program incorporates the in-sourcing of both our environmental services across Onward and of the repair service across Greater Manchester as well as focussing on running our business well and ensuring we have the most efficient operating model.

Our environmental services were brought in-house through a phased approach over the year. This resulted in some increased cost in 2023/24 to exit contracts and set up the service for success in the future, however, bringing the service in-house allows us to have more control over the customer offering allowing for standardisation of service and the associated efficiencies in doing so. We also started the in-housing of the repairs service in Greater Manchester in April 24 and saw some upfront investment costs incurred in 2023/24 for this.

In 2023/24, Onward saw an increased volume of cases of disrepair and an associated increase in costs. Onward is proactively managing cases early to improve the service provided to customers, whilst also attempting to prevent cases escalating resulting in higher average cost per case.

The Financial Income and Inclusion team has been restructured to create a Customer Accounts and Advice team to better deliver to the needs and challenges our customers face and subsequently arrears have been successfully managed and have remained consistent with 2022/23 levels despite the cost-of-living challenges faced by the Group's tenants and leaseholders.

Onward also continues to invest in its development programme and in maintaining and improving its existing homes which will directly benefit our customers. We are also actively managing our stock through a portfolio management project which reviews properties that require investment to understand the most appropriate action and potentially provide funds to use in our future development plans where appropriate through strategic disposal.

Performance

The Board provides the following details in relation to its key housing management and maintenance performance. These reflect the subset of the indicators that the Executive Team and Board review to ensure the group is achieving its objectives and strategies.

Voids/relets

Measure	2024	2023	2022	2021	2020
Void Loss %	**2.70%**	2.26%	1.85%	2.36%	1.89%
Average re-let (days)	**75.5**	48.5	63.2	59.6	48.6

One of the Group's key performance indicators is the amount of money lost when properties become void and days empty when properties cannot be immediately re-let to tenants in need of homes. The group aims to re-let properties as soon as possible after the previous resident leaves. However, sometimes this may not be possible because the property may require redecoration, refurbishment or improvements.

For the year ending March 2024 we have seen higher void levels to the previous year accompanied by higher average re-let days. Void loss remains an area of focus for the Board.

We continue to assess the performance of all property assets using the Savills Asset Performance Evaluation model. For long term voids we appraise whether to reinvest to bring the property back into use or to dispose of the unit. Where possible we bring properties back into use and those that are no longer appropriate for social lets are sold to raise funds to reinvest in new homes. As a result, this year we disposed of 25 empty properties (2022/23: 23 disposals). The impact of this strategy for long term voids means that the average time to let remains high. The portfolio management strategy of selling non-viable properties will continue as the costs of improvement works are considered to ensure that this is the best course of action.

Income collection and arrears

Measure	2024	2023	2022	2021	2020
Rent Collection %	**97.4%**	99.2%	99.8%	100.3%	99.3%
Arrears - current residents %	**5.2%**	5.1%	5.0%	5.6%	5.7%
Arrears - former residents %	**1.6%**	1.6%	1.5%	1.5%	1.5%
Arrears - Total %	**6.8%**	6.7%	6.5%	7.1%	7.2%

Rent collected and the volume of arrears is a key indicator of our ability to deliver core business. Our overall rent collection performance has reduced to 97.4% (2023: 99.2%) and arrears have increased slightly in the year as our customers are continuing to face financial challenges. The new restructured Customer Accounts and Advice team use the Rent Sense tool to target arrears cases and additional automation has been introduced with Caseload Manager to support the collection process.

Repairs

By monitoring how much a repair costs and how many visits are conducted per property, we can learn from our results and adapt our processes. This will lower the number of return visits, ensuring our repair service is as efficient as possible, reducing wastage and improving the service to the customer. The average number of responsive repairs per property was 3.45 (2023: 3.17) at a cost of £784 per property (2023: £613) and over the course of the year, 77.4% (2023: 83.7%) of responsive repairs were completed within the target time of 85% (2023: 90%).It is expected that the in-sourcing of the repairs service across the Lancashire and Greater Manchester regions will address this with the focus on 'First Time Fix' giving greater control over costs and service delivery.

Measure	2024	2023	2022	2021	2020
Ave no. repairs per property	**3.45**	3.17	2.69	3.30	3.40
Repairs cost per property	**£784**	£613	£613	£480	£417

Development and reinvestment
Our investment commitment of £3.0m (£0.8m equity and £2.2m debt) in Hive Homes, which is a joint venture between ten Greater Manchester housing associations and the Greater Manchester Combined Authority, will deliver over 600 affordable homes for sale in Greater Manchester.

Onward are committed to building 5,000 new homes by 2030 and are on track to deliver. We remain committed to ensuring that we retain sufficient capacity to invest in new homes and our business plan supports this.

Onward Build is now in the process of developing 350 mixed tenure development schemes at sites in Basford and Helsby. Both schemes were paused during 2023/24 following the main contractor going into administration but the Helsby scheme has now secured a new lead contractor and the scheme returned on site in May 2024. The Basford scheme is still currently paused pending the procurement of a new lead contractor. In the 2022/23, an impairment of £3.5m was recognised due to the main contractor issues. The Helsby scheme has since been reappraised based on the newly agreed contractor costs and updated market valuation and no further indications of impairment have been identified. The Basford scheme is still in the early stages of reprocuring a main contractor and no action has yet been agreed. As such no further impairment has been recognised at this stage.

Investing in and maintaining the standard of our existing homes remains our priority. Our Home Standard will ensure that our customers' homes now, and in the future, will be maintained and improved to the standard they would expect. In 2023/24 we invested £31.6m in new windows, kitchens, bathrooms, heating, re-roofing, windows and doors (2023: £29.4m).

Risk and uncertainty

An effective risk management framework supports the delivery of The Onward Difference and the objectives we have defined to support the delivery of our vision. Our risk management framework is an established methodology that supports the identification, assessment, management and reporting of the risks facing our organisation.

The Board has overall responsibility for risk management and for setting our risk appetite (the amount of risk we are willing to take to achieve our objectives). Board receives regular reports on the risks facing our business and considers risk at each meeting to ensure they have a comprehensive understanding of current and emerging risks

The formally Board reviews our risk appetite each year to ensure that it reflects our organisation, our priorities and the challenges in our external environment. This is particularly important given the uncertainty in our operating environment and the increased economic uncertainty which has impacted on our customers, our business and the partners we work with.

The Audit and Risk Committee is responsible for the oversight of our risk management framework and for monitoring the effectiveness of our internal controls. Committee reports to Board at each meeting to ensure that

Board has the assurance required with respect to our risk management, internal control and governance processes.

Internal Audit
Internal audit provide independent assurance with regards to the management of risk and operation of controls. During the year we worked with our internal audit partner, Beever and Struthers to establish an internal audit programme, aligned to our strategic risk register to provide assurance with regards to internal control systems and processes and the management of risks.

Key Risks
The Board has identified the following key risks that it considers a potential threat to the achievement of our strategic objectives. These have been considered in line with the Sector Risk Profile produced by the Regulator of Social Housing, the introduction of revised Consumer Standards and the environment in which we are operating:

Risk and uncertainty (continued)

Risk	Mitigation
Business Plan Capacity Onward is financially robust, however, there is a risk that we cannot deliver our business plan and corporate plan due to macro-economic pressures combined with the increasing regulatory burden on the sector as we continue to support our customers, deliver our promises, maintain our development programme and respond to legislative changes.	We stress test our business plan using a range of scenarios on a regular basis to support our planning and decision making. The Board has set Golden Rules to ensure we remain financially resilient; these are reviewed regularly to ensure they remain relevant and are effective in holding us to account for our financial performance.
Property Condition (Damp and Mould, Disrepair) Onward has a number of older properties within our portfolio which increases our risk in this area.	We have established a robust process to respond to reports of damp, mould and condensation. The process is embedded within our business and we are regularly reviewing and refining these processes to ensure we keep our customers safe in their homes. In addition, we are extending the reach of our ‘in-house’ repairs service which will mean that going forward we will be able to respond to issues more promptly.
Quality of Service to Customers Providing a consistent quality service to our customers that considers equality and vulnerability and meets the requirements of the revised consumer standards is important to us. This is difficult to achieve in the current environment with increasing demand and external pressures.	We monitor the service we deliver to our customers using a range of performance indicators which are reported to management and Board each month. Areas of underperformance are discussed in detail and action plans established where needed. We regularly ask our customers how they think we are performing and review our service delivery as needed. In response to concerns raised by our customers we are extending the reach of our ‘in-house’ repairs service which will allow us to improve service delivery. We recognise the importance of a good quality repairs service to our customers. In addition, we have bought our Grounds Maintenance and Cleaning services ‘in-house’ which is already making a difference to the quality of service provided to our customers.
Evolution and Change Businesses regularly need to reassess their operations to ensure they reflect the environment in which they operate and external challenges. We are on an evolution journey implementing several key initiatives to ensure that we can improve service to our customers.	We have procured a new housing management system and are on a journey to implementation which will see a new system introduced in 2025/26, allied to this we are reviewing service delivery to bring several key services ‘in-house’ to ensure we can directly influence service delivery in the key areas of repairs and grounds maintenance recognising the importance of these areas for our customers.
Complex and Volatile Political and Economic Environment The environment in which we operate remains challenging on a scale never before seen in our sector, the pace and scale of legislative change allied to fiscal challenges, high demand from our customers, media focus and a change in government increases the risk inherent in our decision making.	We keep a watching brief on the challenges we face and regularly horizon scan for emerging risks.

Risk and uncertainty (continued)

Risk	Mitigation
Data Quality Housing Providers hold large volumes of data about our properties and our customers, there is a risk that data quality is not sufficient to meet the needs of our business and achieve our responsibilities with respect to knowing our customer, knowing our properties and supporting the delivery of service.	We have a data project in place which is working to ensure the accuracy of the data we hold about our customers and our properties; this will ensure that we transfer high quality data into our new housing management system and also that we are able to meet the requirements of the revised Consumer Standards. Using our data to improve services to customers relies on the accuracy of our data.
Reputation Media interest in the condition of customer homes, focus on damp and mould, complaints and the introduction of the Tenant Satisfaction Measures in addition to the cost-of-living crisis increases the risk that the reputation of the sector and individual organisations is compromised.	We work hard to 'get the basics right' and we have in place a high-quality complaints service that complies with the Housing Ombudsman's Compliant Handling Code, we have a specialist team responding to reports of damp and mould, and we have reviewed the delivery of our repairs service, to ensure that we have greater control over the service received by our customers. We continue to work hard to maintain the trust of our customers.
Borrowing Capacity The financial impact of development, fire remediation works, the green agenda, the cost of living crisis allied to legal and regulatory requirements relating to stock condition creates pressure on our funding plans.	We regularly review our cashflow and spending plans and work with treasury advisors to ensure our financing supports the delivery of our business plan.
Development Programme Our development aspirations support the delivery of the corporate plan and wider placemaking aspirations as a result not delivering on these due to market or supplier issues would impact delivery of our business plan and wider objectives. We have been successful to date despite the challenging external environment which has seen significant price increases and increasing counterparty risks.	We assess each development using a range of financial measures and ensure the quality of our development partners.
Significant Cyber Security Incident The risk of a cyber-attack which results in data and systems being compromised and impacts on the ability to deliver services and results in the loss of personal and business data is ever present in our operating environment.	We have introduced market leading controls to manage cyber risks and constantly monitor the threat environment. We recognise that this environment is complex and fast changing and we work with an external specialist organisation to ensure we are able to keep pace with this increasingly challenging risk area.
Failure to engage with customers at a strategic level Failure to evidence that we involve our customers in strategic decisions, that we listen to their views and that we use the information we hold about them to plan service delivery both strategically and on a day to day basis is a risk facing all housing providers as we seek to work with our customers to respond to their service needs and respond to the revised Consumer Regulations.	We have robust customer engagement mechanisms that are embedded within our business that provide customers with a range of opportunities to engage with us. In addition, we have a regular programme of engagement between the Board and our customers to allow our customers to influence the Board. In addition, our revised committee structure sees customers attend our Customer Committee to share their experience and challenge our performance and strategies in key areas that matter to them.

Treasury objectives and strategy

The Association's treasury activities are managed in line with Group's Treasury Management Policy and Treasury Strategy, both of which are reviewed annually. Both the Policy and Strategy are approved by the Treasury & Finance Committee and Board. The Treasury Strategy and Policy were last approved by the Treasury & Finance Committee in May 2024 and considers the following risks:

- Liquidity risk
- Counterparty credit risk
- Interest rate risk
- Legal and regulatory risk
- Operational risk

The Association regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities focuses on the risk implications for the Association.

It also acknowledges that effective treasury management supports the achievement of Group's objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Treasury Policy stipulates that liquidity must be at least 18 months per the Boards golden rule. This must be supported by a 24-month forecast as a basis for effective treasury planning. Forecasts from the financial plan approved in June 2024 show that undrawn loan facilities are sufficient to finance group activities until 2028. Negotiations with lenders are underway to renew revolving credit facilities (RCFs) by Spring 2025 as per the approved Treasury Strategy.

During the 2023/24 financial year the Bank of England base rate rose from 4.25% in April 2023 to 5.25% in March 2024. The cost of funding has therefore remained consistently high throughout the 2023/24 financial year. Onward has successfully mitigated most of this impact by having a significant proportion of fixed rate debt. The Treasury Policy stipulates that fixed and floating rate loan exposures must be managed within the following limits:

Debt type	Minimum	Maximum
Fixed Rate	**60%**	90%
Floating Rate	**10%**	40%

As at 31st March 2024 80.2% (2023:79.4%) of borrowing was fixed via a combination of fixed rate bank loans and fixed rate private placement funding. Banking and bond interest has increased to £13.26m (2023: £11.33m) due to the full year effect of high interest costs during the year.

As at 31st March 2024, Onward has borrowing facilities of £865.9m (2023: £662.1m) of which £380.9m has been drawn down (2023: £387.1m). The available facility includes £400m (2023: £190m) of revolving facilities of which all are undrawn. In September 2023 additional revolving credit facilities (RCFs) of £210m were procured. This is to support the future development programme and the wider liquidity position. Of the £210m only £35m is secured. The cash balance as at 31st March 2024 was £20.7m. As per the golden rules set by Board, the Group cash position should not fall below £10.0m.

The Association is financed by a combination of retained reserves, long-term debt facilities and project-specific grants to part-fund the acquisition and development of new homes. The Association has the financial capacity to repay its debt in accordance with the repayment profile of its debt facilities.

Compliance with lender financial covenants is monitored continuously. This is reported to the Treasury & Finance Committee on a quarterly basis. The report for March 2024 confirmed that the Group was compliant with all loan covenants, and that the approved financial plan demonstrates ongoing compliance with covenants and golden rules.

In March 2023 the Association successfully renegotiated a permanent amendment to covenant calculations and limits set by lenders to remove major repair spend from the interest cover covenant. As a result, limits are now higher and so is headroom which allows the Association more flexibility to deliver the 30-year business plan. EBITDA MRI is still used as a key metric to monitor performance.

Treasury objectives and strategy (continued)

Loan agreements allow up to 8.0% of on-lending across the entities within the Onward Group. The on-lending percentage compares the total value of the on-lending against the historic cost of housing properties excluding properties under construction. The Board have set a golden rule for on-lending at 6.8% as an early warning indicator. As at 31 March 2024 on-lending was 3.97%. This allows for a an additional £42.0m of on-lending versus the golden rule. In FY23/24 there were no breaches of loan covenant or treasury policy golden rules.

Corporate governance

The Group Board is responsible for the leadership of our business, for setting our strategy, monitoring the delivery of the strategy, holding Executive Directors responsible for the performance of the organisation and ensuring that adequate levels of resource are available to deliver our strategy.

The Board has delegated day-to-day management to a group of Executive Directors. The Executive Team is led by the Chief Executive and has responsibility for making decisions in relation to strategic issues and other issues with group-wide implications, overseeing regulation and monitoring financial viability. The Executive Team meets on a regular basis and recommends policy and strategy decisions to the Board.

During 2023/24 the Board held 8 formal meetings and 2 strategy days attendance of members was as follows;

Board Member	Attendance
Tim Johnson (Chair)	100%
Tina Kokkinos	100%
Kate Jones	100%
Kieran Keane	100%
Karl Tupling (Observer)	100%
Wyn Dignan (resigned 31 January 2024)	100%
Rachel Barber	100%
Dena Berger	100%
Diana Hampson	88%
Bronwen Rapley	88%
Mike Gerrard (resigned 30 October 2023)	100%
Alexander Livingstone	100%
Matthew Saye	100%

Board Committees

We operate the following committees to support the Board, each committee has responsibility delegated by the Board which is detailed in their terms of reference.

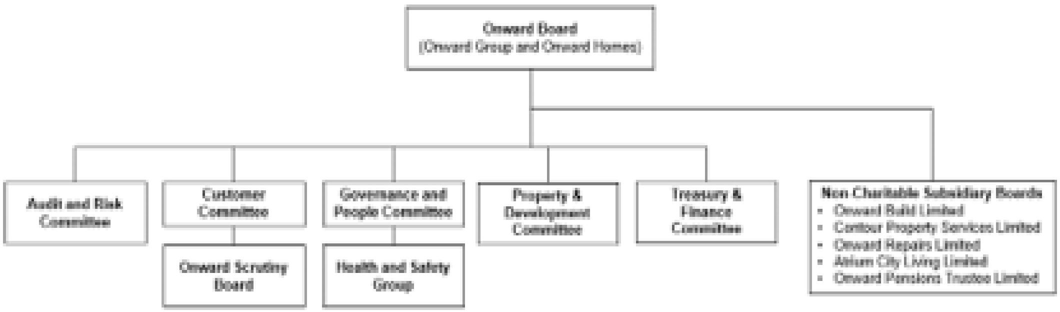
- Audit and Risk - oversight of audit and risk matters for the Group.
- Treasury & Finance – oversight and scrutiny of Group finance, performance and treasury strategy.
- Property & Development - oversight of portfolio management, landlord compliance and the development programme with some delegations to approve development schemes and land purchases.
- Governance & People – makes recommendations to the Common Board on nomination and remuneration matters.
- Customer – oversight of customer engagement and customer voice.

The Committees report to Board at each meeting and the minutes of committee meetings are available to the whole Board.

The Board also agrees terms of reference for task and finish groups where there are areas of work which need additional scrutiny for a finite period. The Governance Task and Finish Group was established in 2023 and its work concluded during 2023.

Corporate governance (continued)

Committee Structure



Committee Membership as at 31 March 2024

Committee	Members
Treasury and Finance Committee	Tina Kokkinos (Chair) Tim Johnson Kate Jones Kieran Keane
Audit and Risk Committee	Kieran Keane (Chair) Diana Hampson Rachel Barber
Governance and People Committee	Kate Jones (Chair) Dena Berger Tina Kokkinos
Property and Development Committee	Dena Burger (Chair) Diana Hampson Karl Tupling
Customer Committee	Rachel Barber (Chair) Kate Jones Karl Tupling

The Board regularly reviews committee membership as part of our succession arrangements to ensure a balance of skills and experience. In addition, each Board member, including the Chair receives a formal annual appraisal.

Diversity and Inclusion
Board members are appointed on merit based on their skills and experience with the skills matrix and business strategy informing the skills balance required on the Board with the objective being to establish a Board with a diverse mix of skills, experience and attributes to support the delivery of our Corporate Plan.

STRATEGIC REPORT (continued)

Diversity and Inclusion (continued)
The diversity of the Board at the 31 March 2024 was as follows;

Diversity Strand	Board Composition
Gender	5 male 7 female
Ethnicity	11 British 1 British of Caribbean Descent

The Board is committed to diversity and continues to support the Insight Programme enabling people from under represented groups to shadow our Board meetings in preparation for their attaining a Board position.

Compliance with Regulatory Standards
Each year we assess compliance with the Regulator of Social Housings Regulatory Standards, comprising the economic standards (governance and financial viability, rent and value for money standards) and consumer standards (tenancy involvement and empowerment, home, tenancy and neighbourhood and community standard)

Board is able to confirm that Onward is fully compliant with the Regulatory Standards, including the Governance and Financial Viability Standard.

In addition, we are well prepared for compliance with the revised consumer standards that came into force on the 1 April 2024.

The new Tenant Satisfaction Measures (TSMs) return, with survey data and management information has been collected in line with the technical guidance. External validation of our methodology and approach has been provided by independently.

Compliance with the Code of Governance
The Board has adopted the National Housing Federation Code of Governance 2020 and is committed to upholding the Code of Practice for Board Members. The Board meets frequently to determine policy and to monitor the performance of the group.

The Board has considered compliance with the Code and has confirmed compliance during 2023/24.

In October 2023, following an in depth assessment the Regulator of Social Housing confirmed our G1 grading. The report issued by the Regulator confirmed that the regulator has assurance that Onward Group Limited continues to comply with the financial viability elements of the Governance and Financial Viability Standard

In addition, the report confirmed that the regulator's assessment of Onward's compliance with the governance elements of the Governance and Financial Viability Standard remains unchanged. (from the previous G1 grading) Based on the evidence gained from the IDA, the regulator has assurance that Onward's governance arrangements enable it to adequately control the organisation and to continue meeting its objectives

Value for money

The Association's approach to, and performance on, value for money is set out in the consolidated Group accounts for Onward Group Limited.

Strategic report

The strategic report including the operating and financial review was approved by the Board on 4th September 2024 and signed on its behalf by:

Sara. E. Byrne

Sara Byrne

Company Secretary
Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

DIRECTOR'S REPORT

The Board presents the Onward Homes Limited Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2024.

Principal activities

The Association's principal activity is the provision of general needs, sheltered and supported housing accommodation at affordable rents to those in housing need and providing low- cost home ownership. It is also engaged in improving the social, economic and environmental problems facing the neighbourhoods in which it operates.

These objectives are carried out for the public benefit as set out in the financial statements. The Board considers legal advice and Charity Commission guidance when determining the activities that the Association undertakes to deliver these objectives.

Board members and Executive Directors

The Board members of the Association are set out on page 2.
The Board members are drawn from a diverse background bringing together professional, commercial and other experiences. No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

Statement of compliance

The Board report and financial statements have been prepared in accordance with applicable reporting standards and legislation**.**

Health and safety

Health and safety is an integral part of the proper management of all the undertakings over which the Association has control. The Association promotes safe practices and continuous improvement through a Health and Safety Group, and regional health and safety forums on which all parts of the association are represented. Onward Homes is committed to ensuring:

- The health, safety and welfare of all our customers, leaseholders, staff, contractors and third parties involved in the operations of the Association
- The safety of the general public who use or have access to premises or sites under its control
- The way in which it operates contributes to the wellbeing of the community at large.

As part of ensuring the health and safety of our tenants the Association spent c.£2.4m on the Quadrant cladding remediation works in 2021/22 and 2022/23. A successful application for government grant funding was made to cover the full cost of these works. This funding was received in 2022/23 with the balance being received in early 2023/24.

Donations

The Association made charitable donations totalling £500 to Homeless International in the year (2023: £500 to Homeless International). No political donations were made during the year.

Employee involvement

The Board recognises that its employees are its greatest asset and that it cannot achieve its aims and objectives without their involvement and contribution and commitment.

We communicate and consult with colleagues through the following groups;

- The Colleague Forum which includes representation from throughout our business and considers key employee related policies, pay and benefits and is the formal body for communication between our colleagues, the Executive Team and Board.
- The Colleague Equity Forum which includes representation from across our business and ensures that are focussed on inclusion, that we embrace diversity and ensure equality for our colleagues.

Employee involvement (continued)

In addition, we have a number of communication channels supporting these formal groups including regular briefings, a colleague conference and an organisation wide intranet.

We are committed to developing a culture where equality and diversity is embedded and integral to what we do. We actively encourage our colleagues to bring their whole selves to work and we have a Diversity and Inclusion Strategy which aims to achieve an inclusive culture that respects and values differences and eliminates discrimination.

Corporate social responsibility

Our corporate plan defines the commitment we have made as a socially responsible organisation. We act as enablers, supporting people and communities to fulfil their aspirations and potential by giving them choice, control and responsibility. We want to be a great landlord and we also recognise the importance that good quality housing can have on people’s lives and where they live.

As an organisation we work in partnership with customers, local government, public services and private business. Doing more together, by sharing knowledge, coordinating resources and focusing on what will give our customers the best outcome.

The difference we make we have called ‘The Onward Difference’ and our colleagues are committed to delivering this every day to our customers.

We have articulated our social impact aspirations in a strategy that will ensure that everyone who works at Onward prioritises making or supporting positive social change as an integral part of their work. We want this approach to harness untapped talent and creativity in the communities we serve and to transform the relationship we have with customers, colleagues and partners.

We are on a journey to deliver this aspiration and to date we have made a number of key changes within our organisation to deliver the strategy.

Disclosure of information to auditor

So far as each of the Board members is aware, at the time this report is approved:

- There is no relevant information which the Group’s auditor is unaware; and
- The Board has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

Board members’ responsibilities

The Board members are 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 law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2019 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 will continue in business

Board members' responsibilities (continued)

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group 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 2019.

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

Statement of internal control

The Board acknowledges its ultimate responsibility for ensuring that the Group has in place a sound system of internal control and risk management and for the review of the effectiveness of that system during the year.

The Audit and Risk Committee is responsible for monitoring this system and reporting on its effectiveness to the Board.

Internal controls are designed to identify and manage, rather than eliminate, risks which may prevent an organisation from achieving its objectives.

The system of internal control is designed to manage risk and give reasonable rather than absolute assurance with respect to:

- The achievement of key business objectives and expected outcomes
- The preparation and reliability of financial and performance information used within the organisation and for publication
- The maintenance of proper accounting and management records
- The safeguarding of assets against unauthorised use or disposal.

Our internal control and assurance arrangements comprise;

- A risk management framework which is embedded throughout our business and is regularly reviewed by management and Board. As part of this the Board has articulated the risk appetite of the organisation and regularly reviews this to ensure it remains relevant.
- A governance structure with clear delegation of authority from the Board, detailed within the Scheme of Delegation.
- A policy framework that aligns with our corporate objectives and provides a framework for our business to operate.
- A performance management framework that considers performance against a range of KPIs that are reported throughout the governance and management structure.
- Independent assurance arrangements, provided by our internal and external auditors in addition to a range of independent specialist assurance providers with reports to Board and Committee.
- Financial Controls that comprise detailed budget setting and performance monitoring, stress testing of our business plan and robust golden rules that are regularly reviewed by the Board.
- Resilience planning, we have established detailed winter planning arrangements to ensure we can respond to increased demand and the challenge of bad weather in addition to business continuity arrangements and disaster recovery plans.
- A meaningful customer engagement process that allows Onward to get the views of our customers on issues that matter to them and to triangulate their opinions with what we know from our performance management process.
- An increasing focus on data accuracy so we can be assured that the information we report is accurate and a sound basis for decision making.

Internal Audit

Internal controls are subject to regular independent review by Beever and Struthers our internal audit partners who provide assurance on the operation of the control framework and the management of risk. The internal audit plan was approved by the Audit and Risk Committee and the plan is regularly reviewed during the year to ensure it continues to reflect our risk environment.
The Audit and Risk Committee oversees the work of the internal auditor and is responsible for monitoring that actions identified as a result of internal audit findings and ensuring that they are implemented in a timely fashion.

External Audit

The work of the external auditors BDO LLP provides additional independent assurance over the adequacy of the internal control environment. The Group receives a management letter from the external auditor which details any internal control weaknesses identified during the year end audit. The Board itself, and through the activities of the Audit and Risk Committee has reviewed the outcome of external audit work for 2023/24 and the external audit management letter.

Fraud

Onward has a zero tolerance approach to fraud and has a number of policies in place to support fraud prevention. In addition, fraud risk registers are maintained and the controls tested to ensure controls established to prevent and detect fraud are operating effectively.
Information with respect to frauds is reported to the Audit and Risk Committee. The Board is responsible for reporting material fraud to the Regulator of Social Housing, no frauds have occurred during the year.
The Board has also established a Speak Up Policy which has been launched to the business and encourages colleagues to report any concerns or wrongdoings. Standards of conduct required from colleagues are detailed in the Code of Conduct.

Conclusion

The Board has considered the effectiveness of the system of internal control in place in the year ended 31 March 2024. The Board considers that governance, risk management and internal control arrangements are operating effectively.

Going concern

The Associations business activities, its current financial position, net current assets of £61.7m; (2023: £87.6m) and factors likely to affect its future development are set out within the Strategic Report. The Association has in place long-term debt facilities of £865.9m (2023: £662.1m), of which £485.0m is undrawn (2023: 275.0m) and cash and cash equivalents of £14.4m (2023: £46.5m). The available cash and funding is adequate to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association's long-term business plan shows that it can service its debt facilities whilst continuing to comply with lenders' covenants.

This has been a challenging period for The Association, which partly relates to an increased volume of cases of disrepair and associated legal costs, following a period of investment from Onward to address disrepair, damp and mould issues. Rent increases during the financial year were capped in line with government policy, with increases being capped at 7%. During the period, the Group has been subject to price increases exceeding this level, and as such has absorbed much of these additional costs. This has put pressure on the operating surplus in 2024

A 30-year business plan is produced annually to model future activity of the Association as well as to test for strategic resilience as a result of changes in the economic and political environment. The Association has modelled several scenarios using multiple variants to test the resilience of the business plan. The Association is confident it can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Association has sufficient cash and undrawn facilities to cope with this impact.

DIRECTOR'S REPORT (continued)

Going concern (continued)

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

On this basis, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report.

Independent auditor

BDO LLP were appointed as auditors in the year. A resolution to appoint the Association's auditor will be proposed at a forthcoming Board Meeting. BDO LLP have indicated their willingness to continue in office should a resolution concerning their reappointment be agreed by the Board.

The Directors' Report, including the financial statements, was approved by the Board on 4th September 2024 and signed on its behalf by:

Sara. E. Byrne

Sara Byrne
Company Secretary
Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2024 and the Association's surplus for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 2022.

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Association's ability to continue to adopt the going concern basis of accounting included:

- Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast but also have an understanding of the entity's market, strategy and profile of the customer base, and the potential impact that uncertain wider economic factors might have on these projections.
- Obtaining and assessing the availability of financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements.
- Consideration of the forecasts prepared by management and challenge of the key assumptions based on our knowledge of the business. As referred to in basis of preparation note, management have modelled reasonably possible downside scenarios to incorporate the expected impact of economic factors noted above. We have considered the appropriateness of the downside scenarios in respect of the economic factors noted above and challenged management to confirm that they have suitably addressed the inputs, which are most susceptible to change, including those in respect of revenue, margins and cost savings.
- We challenged management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions and whether such actions could be sustained without breaching banking covenants. We challenged the assumptions used and mitigating actions included within the various scenarios and reviewed the stress test calculations.
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenario.

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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

		2024	2023
Key audit matters	Impairment of fixed asset housing properties	X	X

Materiality	*Financial statements as a whole* £20m (2023: £2.26m) based on 1.5% of total assets (2023: 7% of adjusted operating surplus).

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Impairment of fixed asset housing properties Note 2, 7 & 14 cover the relevant accounting policy and disclosures	Onward Homes Limited directors must assess at each reporting date whether there is any indicator of impairment of its housing properties. Where an indicator of impairment exists, the directors must perform an impairment assessment which involves determining the level at which an impairment is to be assessed (i.e. the asset or cash-generating unit), estimating the recoverable amount of the asset or cash-generating unit, calculating the carrying amount of the asset or cash-generating unit and comparing the carrying amount to the recoverable amount to determine if an impairment loss has occurred. For social housing property this usually involves taking into account the specific impairment accounting requirements of the Housing SORP. In the year, no impairment loss was recognised in respect of housing properties. Given the level of judgement involved in determining the level at which the assessment takes place and the estimation involved in calculating the recoverable amount of the asset or cash-generating unit, we consider this to be a key audit matter.	We have obtained management’s impairment review paper for the current financial period. We have assessed and challenged management’s impairment indicators review to establish whether it was performed in line with the group accounting policy, the relevant accounting standard and the Housing SORP. We have performed procedures to further assess if impairment indicators have arisen. These procedures included; - Review of costs to complete of assets under construction to supporting information to ensure that this is accurately recorded. - We have engaged with the development team and reviewed minutes of meetings to ensure that the costs to complete are moving in line with the planned costs to complete. - Review of the voids report and that there are no schemes with significant void levels and therefore gives rise to an indicator of impairment. **Key observations:** Based on the evidence obtained we did not identify any exceptions.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2024 £'000	2023 £'000
Financial Statement Materiality		
Materiality	19,824	2,264
Basis for determining materiality	1.5% of total assets. (2023: 7% of adjusted operating surplus adjusted operating surplus as defined by the entities lending covenants)	
Performance materiality	13,877	1,585
Basis for determining performance materiality	70% (2023: 70%) The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.	
Specific Materiality		
Specific Materiality	3,011	N/A
Basis for determining specific materiality	1.65% of revenue	N/A
Specific performance materiality	2,108	N/A
Basis for determining specific performance materiality	70% of materiality	N/A

Rationale for the materiality benchmark applied

The materiality benchmark in the previous year was adjusted operating surplus. We have reflected on our approach to materiality and concluded that for housing associations key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions. Revenue is considered to be a more stable metric to use for this purpose than adjusted operating surplus and is also more transparent and more easily understood by the users of the financial statements.

We have determined that 70% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £793k (2023: £91k) in relation to the financial statement materiality and £121k in relation to specific materiality (2023: N/A). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the board

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

In preparing the financial statements, the Board are responsible for assessing the 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 Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance , legal counsel, internal audit as well as audit and risk committee;
- Obtaining and understanding of the Association's policies and procedures regarding compliance with laws and regulations;
- Review of Financial Conduct Authority Regulatory Permissions; and
- Our knowledge of the laws and regulations specific to the sector

we considered the significant laws and regulations to be FRS 102, Co-Operative and Community Benefit Societies Act 2014, Direction for Private Registered Providers of Social Housing 2022, Financial Services and Markets Act 2000 (FSMA) and UK tax legislation.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Employment Equity Act, data protection & Financial Conduct Authority Regulatory Permissions.

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management and those charged with governance, internal auditors and audit and risk committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud (including fraud risk register review);
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation in relation to posting inappropriate journal entries to revenue as well as timing of the recognition of other income items.

Our procedures in respect of the above included:
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in relation to impairment of housing properties (see key audit matters), estimated useful lives of assets, investment property valuations assumptions, bad debt provision policy and assumption within the defined benefit gross liability valuation;
- Considering the IT controls around the journal posting and the impact control limitations could have on the validity and data available and the testing conducted; and
- Selecting a sample of other income (particularly property sales) around the year end and assessing whether the income has been recognised in the correct period.

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

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

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

Use of our report

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

DocuSigned by:
BDO LLP
829727ECC12041D...

BDO LLP
Statutory Auditor
Manchester, UK

09 September 2024

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

FINANCIAL STATEMENTS

Statement of Comprehensive Income
for the year ended 31 March 2024

	Notes	**2024** £'000	2023 £'000
Turnover	3	**189,822**	171,387
Cost of sales	3	**(10,377)**	(7,248)
Operating costs	3	**(154,666)**	(140,409)
Gain on disposal of housing properties	6	**1,197**	551
Operating surplus		**25,976**	24,281
(Loss) on disposal of other tangible fixed assets	10	**(753)**	(46)
(Loss) on disposal on investment properties	16	**(42)**	-
Interest receivable and similar income	11	**7,020**	6,588
Interest payable and similar charges	12	**(17,133)**	(13,881)
Surplus on ordinary activities before taxation		**15,068**	16,942
Taxation on (deficit)/surplus on ordinary activities	13	**-**	-
Surplus for the year after taxation		**15,068**	16,942
Other comprehensive income			
Actuarial (loss) in respect of pension schemes	36	**(1,745)**	(2,069)
Other comprehensive (deficit) for the year		**(1,745)**	(2,069)
Total comprehensive income for the year		**13,323**	14,873

The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income.

The financial statements were approved by the Board on 4th September 2024 and signed on its behalf by:

....

Tim Johnston

Chair

....

Dani James

Director

....

Sara Byrne

Company Secretary

Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
Balance at 31 March 2022	**-**	**382,744**	**382,744**
Total comprehensive income for the period	-	16,942	**16,942**
Other comprehensive income Actuarial (loss) in respect of pension schemes	-	(2,069)	**(2,069)**
Balance at 31 March 2023	**-**	**397,617**	**397,617**
Total comprehensive income for the period	-	15,068	**15,068**
Other comprehensive income Actuarial (loss) in respect of pension schemes	-	(1,745)	**(1,745)**
Balance at 31 March 2024	-	410,950	**410,950**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 31 March 2024

	Notes	2024 £'000	2023 £'000
Tangible fixed assets			
Housing properties	14	**1,236,030**	1,151,613
Investments including properties	15	**20,762**	19,052
Other tangible fixed assets	17	**14,402**	15,309
		1,271,194	1,185,974
Current assets			
Debtors due after one year	18	**58,764**	46,564
Properties for sale and work in progress	19	**11,825**	8,678
Debtors due within one year	20	**25,186**	28,896
Investments	21	**50**	50
Cash and cash equivalents		**14,374**	46,461
		110,199	130,649
Creditors: amounts falling due within one year	22	**(48,540)**	(43,042)
Net current assets		**61,659**	87,607
Total assets less current liabilities		**1,332,853**	1,273,581
Creditors: amounts falling due after one year	23	**(906,929)**	(859,237)
Provisions for liabilities and charges	29	**(2,113)**	(1,100)
Pension liabilities	30	**(12,861)**	(15,627)
		(921,903)	(875,964)
Total net assets		**410,950**	397,617
Capital and reserves			
Non-equity share capital	31	**-**	-
Revenue reserves		**410,950**	397,617
Total capital and reserves		**410,950**	397,617

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 4th September 2024 and signed on its behalf by:

Tim Johnston
Chair

Dani James
Director

Sara Byrne
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Onward Homes Limited (the "Association") is registered under the Housing Act 1996 with the Homes and Communities Agency, the regulator of Social Housing in England, as a Registered Provider of social housing (registration number of LH0250). The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

The Association is a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority, registration number of 17186R. The Association is a public benefit entity.

2. Accounting policies

a) Basis of accounting

The financial statements of the Association are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000.The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2024.

b) Measurement convention

The financial statements are prepared on the historical cost basis except where fair value accounting is required for investment properties.

c) Going concern

The Associations business activities, its current financial position, net current assets of £61.7m; (2023: £87.6m) and factors likely to affect its future development are set out within the Strategic Report. The Association has in place long-term debt facilities of £865.9m (2023: £662.1m), of which £485.0m is undrawn (2023: 275.0m) and cash and cash equivalents of £14.4m (2023: £46.5m). The available cash and funding is adequate to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association's long-term business plan shows that it can service its debt facilities whilst continuing to comply with lenders' covenants.

This has been a challenging period for The Association, which partly relates to an increased volume of cases of disrepair and associated legal costs, following a period of investment from Onward to address disrepair, damp and mould issues. Rent increases during the financial year were capped in line with government policy, with increases being capped at 7%. During the period, The Group has been subject to price increases exceeding this level, and as such has absorbed much of these additional costs. This has put pressure on the operating surplus in 2024

2. Accounting policies (cont'd)

c) Going concern (cont'd)

A 30-year business plan is produced annually to model future activity of the Association as well as to test for strategic resilience as a result of changes in the economic and political environment. The Association has modelled several scenarios using multiple variants to test the resilience of the business plan. The Association is confident it can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Association has sufficient cash and undrawn facilities to cope with this impact.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

On this basis, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report.

d) Judgement and estimates

The 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 revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and assumptions will, by definition, seldom equal the related actual results. These are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable based on the information available.

The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements.

Establishing the useful economic lives ("UEL") of components; The UEL of each component of our social benefit housing properties are reviewed at each reporting date and compared to actual performance to ensure the assumed lives remain appropriate. A review each year seeks to ensure that the UELs remaining terms and component splits are applied consistently. The professional opinion of the Assets team is sought based on their knowledge and experience.

Within the period new, more environmentally friendly products have been applied to our building practices. Their UELs have been assessed in line with accounting standards and an estimate has been made based on expectations of future events that are believed to be reasonable.

We do not believe that the UELs for the other components need changing and therefore remain the same.

Establishing the useful economic lives ("UEL") of Other Fixed Assets; As with components, the UELs are estimated based on sector norms and actual performance. We do not believe that the UELs for the components need changing and therefore remain the same.

Investment property valuations; The Group reviews its properties' classification and where properties do not meet the criteria for social benefit these have been identified and classified as investment properties. These non-financial assets have been valued at fair value.

The valuation is based on either third-party valuation reports or an update to those reported based on market conditions. The valuation is most sensitive to assumptions on rental growth and the discount rate applied to those cash flows. Onward relies on the assumptions and estimates applied by the valuer in accordance with the RICS red book valuation standards in determining the market valuation.

2. Accounting policies (cont'd)

d) Judgement and estimates (cont'd)

Impairment; In line with the impairment policy Onward undertakes a review of its assets taking into account void levels, strategic reviews of certain asset types and development programme to ascertain if any impairment is required. Full analysis and rationale will be provided to support any impairment decision, where appropriate.

Impairment risk continues to be a major feature in 2023/24. Costs to develop continue to rise and so it remains vital to assess whether impairment triggers are evident and if so, ascertain the level of impairment required based on best available information.

For Onward the particular areas considered were:

- Assets under construction, including Section 106 purchases;
- Completed development schemes;
- Assets/group of assets being considered under strategic reviews, such as sheltered schemes, geographical areas identified as needed operational change;
- Void analysis of units which shows high voids and/or hard to let units
- De-conversions where strategic decisions have been made to reclassify units to improve ability to let.
- Development schemes with cost overruns due to challenging economic conditions and increased cost of staffing and materials.
- The Preston blocks and the level of strategic voids held ahead of further regeneration plans.
- The rise in borrowing costs causing an increase in the cost to build.

Basic financial instruments: Onward Group has various borrowings, all of which have been assessed and categorised as basic. The assessment of certain loans and interest rates fixes as basic financial instruments require judgement. The Group does not undertake any stand-alone hedging and does not deal in derivatives.

Bonds have been classed as a "basic financial instrument" as they meet the criteria under Section 11.9 of FRS 102.

Management have considered how bond and loan discount on issue should be dealt with in the financial statements and determined that these should be written off over the life of bond (31 years) using the effective interest rate method.

Management have considered how bond and loan issue costs should be dealt with in the financial statements and determined that these should be written off over the life of the respective instruments in equal annual instalments.

Defined benefit obligations; 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 Group relies on the expert input of actuaries and accepts the estimations they use as reasonable.

Pension valuations will be affected by the impact of events on the stock markets, other asset valuations and changes to discount rates.

Leases; Categorising leases into finance leases or operating leases requires judgement. Management assess whether significant risk and rewards of ownership have transferred to the Group as lessor before determining categorisation. Management will assess each lease to determine where risk lies and report on this accordingly in the accounts.

2. Accounting policies (cont'd)

d) Judgement and estimates (cont'd)

Bad debt; A bad debt provision is held in the accounts to counter the risk of failure to recover current and former tenants rent and service charge arrears. A judgement is made based on the age of the debt whether it is likely to be recovered, despite actions by the neighbourhood teams. Therefore, based on previous practice and knowledge of debt recovery a provision is estimated. The policy also takes into account current year considerations, credit risk rates and any other condition that is present in the current period that was not present in the historic period.

Joint venture investment; the following investments are held in JVs;
Atrium City Living Limited has an investment in the Greater Manchester JV; Hive Homes (£3.0m), It is part of 10 other investors and therefore the accounting will be as a minority shareholder. Onward will account for this JV as an investment in accordance with applicable accounting standards.

Business plan: Assumptions and factors considered in preparing and testing the business plan are within the tolerance levels previously shared with the Board. The plans are robust and resilient for the duration of the thirty years. The scenarios which show the different outcomes have all been thoroughly tested and shared demonstrating long term financial viability of Group.

Capitalisation of salaries: Within the capital cost of property, a proportion of development and investment team staff time has been included to recognise the time spent in managing and delivering the development and investment programmes. This cost is incurred as a result of the programmes and hence agreed to be capitalised. This has been continually reviewed throughout the year with changes made to reflect the current workloads and roles across the development and investment teams.

e) Basic financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. These include bank loans, bonds and similar debt instruments.

Bonds are classed as a "basic financial liability" as they meet the criteria for "basic financial instruments" under Section 11.9 of FRS 102. They are initially recognised at the transaction price, including any discount on issue and transaction costs, and subsequently measured at amortised cost using the effective interest method. Coupons payable are also classed as "basic financial liabilities" and are recognised on the basis of the effective interest method, and are included in the finance costs, with any discount on issue and transaction costs being written off over the life of the bond.

The Group does not have any financial instruments which fall into the non basic financial instrument category. The Group does not undertake any hedging activities and does not deal in derivatives.

Tenant arrears, trade and other debtors
Tenant arrears, trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors
Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

2. Accounting policies (cont'd)

d) Basic financial instruments (cont'd)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

f) Turnover

Group turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership, from properties developed for open market sales and amortisation of Social Housing Grant (SHG) under the accrual model.

Rental income is recognised on the execution of tenancy agreements and covers rent charged up to and including 31 March. Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

Association turnover represents income received for services provided to Group companies and income generated by the May Logan Centre. Turnover is recognised as receivable on the delivery of Group services provided.

g) Expenses

Cost of sales

Cost of sales represents the costs including capitalised interest and direct overheads incurred in the development of the properties, and marketing, and other incidental costs incurred in the sale of the properties.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

h) Interest

Interest payable and similar charges include interest payable and finance charges on liabilities recognised in the statement of comprehensive income using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of housing properties that take a substantial time to be prepared for use are capitalised as part of the cost of that asset.

Other interest receivable and similar income includes interest receivable on funds invested.

i) Taxation

The Group comprises charitable and non-charitable entities. Where activities may fall within the scope of the relevant tax regulations and may be subject to tax liability the entity provides for this where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax charge for the year is based on the profit for the year end and includes current tax on any taxable profits for the year and deferred taxation. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Accounting policies (cont'd)

j) Value added tax

The Group is VAT registered but a large proportion of its income, rent, is exempt from VAT giving rise to a partial exemption calculation. Therefore, the financial statements includes VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

k) Tangible fixed assets - housing properties

Tangible fixed assets – housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Shared ownership properties are split between current assets and fixed assets based on percentage of equity retained, less any provisions needed for impairment or depreciation. The first tranche proportion is classified as current asset and related sales proceeds included in turnover. The remaining element is classified as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

The capital cost of property includes a proportion of development and investment team staff time to recognise the time spent in managing and delivering the development and investment programmes. This cost is incurred as a result of the programmes and hence capitalised.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Freehold land is not depreciated. The estimated useful lives of assets which are separately identified are as follows:

Housing structure	100 years
Boundary walls and car hard-standings	50 years
Roofs	50 years
Windows	30 years
Electrical installation	30 years
Bathrooms	30 years
Fascia	40 years
External doors	30 years
Boilers	15 years
Air source heat pumps	15 years
Heating systems	30 years
Kitchens	20 years
External Wall insulation	30 years
Adaptations	15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Non-component works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties within Onward Homes during the course of construction up to the date of completion of each scheme.

Interest on borrowing costs within Onward Build is capitalised against properties held for sale and work in progress due to the design and build nature of the entity. Once the properties reach golden brick stage the assets will be sold to Onward Homes on an arm's length basis.

2. Accounting policies (cont'd)

Interest capitalised (cont'd)
The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised.

Interest has been capitalised at an average rate that reflects the weighted average effective interest rate on the entity's borrowings required to finance housing property developments.

l) Social Housing Grant
Social Housing Grant (SHG) is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the statement of comprehensive income as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

m) Other grants
These include grants from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate. Other grants which are received in advance of expenditure are included as a liability. Grants received from other organisations are accounted for in accordance with the performance method.

n) Investment properties
Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period that they arise. Rental income from investment property is accounted for as described in the turnover accounting policy.

o) Shared equity investments
Investments in shared equity arrangements are stated at cost as concessionary loans. They are subsequently updated to reflect any impairment loss which would be recognised in the statement of comprehensive income and any accrued interest payable or receivable. At the present time there is no interest charge and the loans are repayable at the time the property is disposed of by the owner. Security is in the form of a second legal charge over the property.

p) Investment in joint ventures
Investments in joint ventures are stated at cost less any accumulated impairment losses.

Any distributions received from the investment will be recognised as income without regard to whether the distributions are from accumulated profits of the jointly controlled entity arising before or after the date of acquisition.

2. Accounting policies (cont'd)

q) Properties held for sale and work in progress

Shared ownership first tranche sales and property under construction are valued at the lower of cost and estimated selling price less cost to complete and sell. Cost comprises materials, direct labour and direct development overheads. Estimated sales price is stated after allowing for all further costs of completion and disposal.

r) Impairment

A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its fair value less cost to sell and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the statement of comprehensive income.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

s) Housing property sales

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme.

Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Properties sold through customers exercising their preserved right to buy or right to acquire, proceeds from the first tranche sales of shared ownership properties, subsequent tranche sales and properties sold that were developed or acquired for outright sale are included within turnover as part of normal operating activities.

Non-housing asset sales are included within gain / (loss) on disposal of fixed assets.

2. Accounting policies (cont'd)

t) Intangible assets

Intangible assets relate to the initial procurement of new software to support business transactions and processing. Amortisation is provided on a straight line basis on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rate used for other assets is as follows.

Computer software	3 years

u) Other tangible fixed assets

Other tangible fixed assets include those assets with a continued economic benefit to the group.

Depreciation is provided on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are as follows:

Office premises	50 years
Office improvements	10 years
Furniture, fixtures and fittings	5 years
Equipment & machinery	5 years
Motor vehicles	4 years
IT and office equipment	3 years
Scheme equipment	Over expected life of component

v) Bad debt provisions

A bad debt provision is held against the risk of failure to recover current and former tenant rent and service charge arrears. The provision is calculated as at 31 March and any adjustment required is written off or back through the statement of comprehensive income.

The provision is calculated in line with the following aged debt:

• Current arrears aged 1-8 weeks	10%
• Current arrears aged 9-16 weeks	50%
• Current arrears aged 17-32 weeks	75%
• Current arrears aged 33+ weeks	90%
• Former arrears	100%
• Other debts (accounts receivable)	Case by case basis

w) Property managed by agents

Where the Group carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the statement of comprehensive income.

Where the agency carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Group.

x) Provisions

A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

The Group provides for public liability claims based on known cases and is measured at estimated cost of claim. It also provides 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. The liability is measured at actual salary costs payable for the period.

2. Accounting policies (cont'd)

y) Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the group's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The group recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the statement of comprehensive income.

Re-measurement of the net defined benefit liability/asset is also recognised in the statement of comprehensive income.

The Group participates in two defined benefit plans as set out below:

- LGPS schemes –Greater Manchester Pension Fund
- Onward Pension Scheme – Onward Homes Limited

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

z) Basis of consolidation

The Group accounts consolidate the accounts of the Association and all it's subsidiaries at 31st March as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

3. Turnover, cost of sales, operating costs and operating surplus

	Turnover £'000	Cost of sales £'000	Operating costs £'000	2024 Operating surplus £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	2023 Operating surplus £'000
Social housing lettings								
General needs accommodation	**122,475**	**-**	**(109,042)**	**13,433**	113,345	-	(96,106)	17,239
Older persons housing	**25,902**	**-**	**(18,221)**	**7,681**	21,313	-	(18,950)	2,363
Supported housing	**17,767**	**-**	**(14,113)**	**3,654**	13,323	-	(12,525)	798
Low cost home ownership	**3,771**	**-**	**(3,170)**	**601**	3,308	-	(2,854)	454
	169,915	**-**	**(144,546)**	**25,369**	151,289	-	(130,435)	20,854
Other social housing activities								
Regeneration and development	**1,297**	**-**	**(4,054)**	**(2,757)**	2,104	-	(3,881)	(1,777)
Management services	**1,398**	**-**	**-**	**1,398**	1,340	-	-	1,340
Group payroll	**1,529**	**-**	**(1,529)**	**-**	1,738	-	(1,738)	-
Estate services	**-**	**-**	**(773)**	**(773)**	-	-	(389)	(389)
Shared Ownership first tranche sales	**11,187**	**(10,377)**	**-**	**810**	8,510	(7,248)	-	1,262
Other	**-**	**-**	**(298)**	**(298)**	-	-	(302)	(302)
	15,411	**(10,377)**	**(6,654)**	**(1,620)**	13,692	(7,248)	(6,310)	134
Total social housing activities	**185,326**	**(10,377)**	**(151,200)**	**23,749**	164,981	(7,248)	(136,745)	20,988
Non-social housing activities								
Market rent	**1,296**	**-**	**(378)**	**918**	1,089	-	(573)	516
Revaluation of investment properties	**553**	**-**	**-**	**553**	2,620	-	-	2,620
Commercial	**1,227**	**-**	**(1,434)**	**(207)**	1,509	-	(2,092)	(583)
Management Services	**12**	**-**	**(257)**	**(245)**	11	-	(150)	(139)
Leaseholders	**1,371**	**-**	**(701)**	**670**	1,157	-	(233)	924
Other	**37**	**-**	**(696)**	**(659)**	20	-	(616)	(596)
Total non-social housing activities	**4,496**	**-**	**(3,466)**	**1,030**	6,406	-	(3,664)	2,742
Total	**189,822**	**(10,377)**	**(154,666)**	**24,779**	**171,387**	**(7,248)**	**(140,409)**	**23,730**
(Surplus) on disposal of housing properties	**1,197**	**-**	**-**	**1,197**	**551**	**-**	**-**	**551**
Total	**191,019**	**(10,377)**	**(154,666)**	**25,976**	171,938	(7,248)	(140,409)	24,281

4. Income and expenditure from social housing lettings

	General needs accommodation £'000	Older persons housing £'000	Supported housing £'000	Low cost home ownership £'000	Total 2024 £'000	Total 2023 £'000
Income						
Rents receivable net of voids	111,135	16,785	10,571	2,946	**141,437**	131,286
Service charge income	6,153	8,505	6,635	558	**21,851**	13,316
Amortised government grants	4,883	601	559	246	**6,289**	6,226
Supporting people grants	-	1	-	1	**2**	34
Other income from social housing	304	10	2	20	**336**	427
Turnover from social housing lettings	**122,475**	**25,902**	**17,767**	**3,771**	**169,915**	151,289
Expenditure						
Management	(23,014)	(4,275)	(3,256)	(1,424)	**(31,969)**	(30,301)
Service charge costs	(10,461)	(5,503)	(4,488)	(465)	**(20,917)**	(18,497)
Routine maintenance	(38,300)	(3,590)	(2,339)	(361)	**(44,590)**	(36,753)
Planned maintenance	(16,503)	(2,282)	(2,152)	(217)	**(21,154)**	(20,601)
Major repairs expenditure	(1,155)	(90)	(58)	(21)	**(1,324)**	(1,252)
Rent losses from bad debts	(903)	(222)	(180)	(7)	**(1,312)**	(457)
Depreciation of housing properties	(18,678)	(2,259)	(1,587)	(503)	**(23,027)**	(22,419)
Housing impairment charge (note 14)	-	-	-	-	**-**	-
Other costs	(28)	-	(53)	(172)	**(253)**	(155)
Expenditure on social housing lettings	**(109,042)**	**(18,221)**	**(14,113)**	**(3,170)**	**(144,546)**	(130,435)
Operating surplus on social housing lettings	**13,433**	**7,681**	**3,654**	**601**	**25,369**	20,854
Void losses	**(1,621)**	**(512)**	**(2,185)**	-	**(4,318)**	(3,109)

5. Accommodation owned, managed and under development

	2024 Number	2023 Number
The number of properties in ownership at the year-end were:		
General needs accommodation (social rent)	**20,262**	20,265
General needs accommodation (affordable rent)	**2,396**	2,237
Older persons housing	**3,886**	3,874
Supported housing	**1,648**	1,663
Low-cost home ownership	**1,391**	1,291
	29,583	29,330
The number of properties in ownership but managed by others at the year-end were:		
General needs accommodation (social rent)	**2**	2
Supported housing	**291**	337
Low-cost home ownership	**17**	17
Total homes owned	**29,893**	29,686
Accommodation managed by other bodies	**(310)**	(356)
Accommodation managed for other bodies / owner occupiers	**795**	917
Leasehold	**1,060**	1,217
Total homes managed	**31,438**	31,464

Non-social housing in ownership and management at the year-end:		
Market rent	**169**	156
	169	156

The number of properties under development at the year-end were:		
General needs accommodation	**648**	605
Rent to buy home ownership	**259**	0
Supported housing	**91**	91
Low-cost home ownership	**392**	284
Open market sales	**29**	29
	1,419	1,009

6. Disposal of housing properties

	2024 £'000	2023 £'000
Disposal proceeds from property sales	**6,876**	6,653
Proceeds from land sales	**1**	14
	6,877	6,667
Carrying value of fixed assets from property sales	**(2,449)**	(3,513)
Costs on disposal	**(3,231)**	(2,603)
Gain/(Loss) on disposal of housing properties	**1,197**	551

	2024 Number	2023 Number
Analysis of housing property sales		
Preserved Right to Buy sales	**24**	20
Right to Acquire	**13**	15
Shared ownership staircasing	**15**	36
Other sales	**32**	19
	84	90

7. Operating surplus

Operating surplus is stated after charging:	2024 £'000	2023 £'000
Depreciation of housing properties (note 14)	**23,160**	22,488
Depreciation of other fixed assets (note 17)	**1,133**	930
Impairment of housing properties (note 134)	**-**	-
Gain on disposal of housing properties (note 6)	**(1,197)**	(551)
Loss on disposal of other tangible fixed assets (note 10)	**753**	46
Amortisation of government grant (note 25)	**(6,402)**	(6,349)
Revaluation of investment properties (note 15)	**553**	2,620
Operating lease receipts (note 28)	**(959)**	(857)
Operating lease payments (note 28)	**1,314**	477
Auditor's remuneration (excluding VAT): In their capacity as auditors	**141**	125
Additional work carried out by the company's auditors	**12**	-

Audit fees and fees to the auditors for other services were paid by Onward Group Limited in the year and recharged via group charges to all subsidiaries.

8. Board members

No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

9. Employee information

	2024 Number	2023 Number
Average number of employees (including Executive Directors) expressed as full time equivalents (based on an average of 35 hours per week)	**881**	833

	2024 £'000	2023 £'000
Staff costs (for the above persons)		
Wages and salaries	**30,126**	27,418
Social security costs	**2,963**	2,821
Other pension costs	**3,690**	3,375
Defined benefit scheme pension adjustments	**-**	-
Severance payments	**513**	91
	37,292	33,705

Remuneration between	2024 £'000	2023 £'000
£60,000 and £69,999	**25**	13
£70,000 and £79,999	**13**	17
£80,000 and £89,999	**9**	9
£90,000 and £99,999	**7**	4
£100,000 and £109,999	**-**	3
£110,000 and £119,999	**2**	5
£120,000 and £129,999	**4**	1
£130,000 and £139,999	**2**	1
£140,000 and £149,999	**1**	1
£150,000 and £159,999	**3**	1
£160,000 and £169,999	**1**	-
£180,000 and £189,999	**-**	1
£200,000 and £209,999	**1**	-
£230,000 and £239,999	**-**	1
£240,000 and £249,999	**-**	-
£250,000 and £259,999	**1**	-

10. Disposal of other tangible fixed assets

	2024 £'000	2023 £'000
Disposal proceeds from other fixed assets	**7**	-
Carrying value of other fixed assets	**(760)**	(46)
(Loss) on disposal of other fixed assets	**(753)**	(46)

11. Interest receivable and similar income

	2024 £'000	2023 £'000
Bank and building society interest	**564**	315
Interest income on net deficit benefit plan assets	**3,589**	3,209
Intercompany interest receivable	**2,637**	2,810
Joint venture loan interest	**230**	254
	7,020	6,588

12. Interest payable and similar charges

	2024 £'000	2023 £'000
Interest payable on bank and building society loans	**7,384**	5,458
Interest payable on bond	**5,875**	5,872
Bond arrangement fee	**49**	(9)
Bond admin fee	**17**	21
Amortised loan arrangement fees	**544**	(121)
Loan administration fees	**77**	130
Loan security costs	**159**	49
Non utilisation fees	**1,251**	832
Interest expense on net defined benefit liabilities	**4,290**	3,640
	19,646	15,872
Capitalised interest	**(2,513)**	(1,991)
	17,133	13,881

Interest has been capitalised at 4.0% (2023: 4.0%) per annum

13. Taxation

	2024 £'000	2023 £'000
UK corporation tax		
Current tax charge for the year	**-**	-
Adjustment in respect of previous years	**-**	-
Total tax charge on surplus on ordinary activities	**-**	-

All amounts of taxation are recognised in the statement of comprehensive income.

Factors affecting the tax charge for the period

The current rate of tax for the year is the same as the standard rate of corporation tax in the UK of 25% (2023:19%). The differences are explained below:

	2024 £'000	2023 £'000
(Deficit)/Surplus on ordinary activities before taxation	**15,068**	17,014
Current tax at standard corporation tax rate	**3,767**	3,233
Effects of tax-free income due to charitable activities	**(3,767)**	(3,233)
Expenses not deductible for tax purposes	**-**	-
Income not taxable for tax purposes	**-**	-
Adjustments in respect of prior periods	**-**	-
Total tax charge on surplus on ordinary activities	**-**	-

14. Housing properties

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed low-cost home ownership properties £'000	Low-cost home ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2023	1,353,940	42,933	64,604	14,541	1,476,018
Additions	32,585	59,786	-	31,735	124,106
Capitalised interest	-	1,514	-	1,000	2,514
Disposals	(2,664)	-	(493)	-	(3,157)
Component Write Offs	(6,995)	-	-	-	(6,995)
Transfer from/(to) stock	-	-	-	(13,221)	(13,221)
Transfer to abortive works	-	-	-	(101)	(101)
Transfer on completion	29,342	(29,342)	11,958	(11,958)	-
Transfers to investment properties	(1,144)	-	-	-	(1,144)
At 31 March 2024	**1,405,064**	**74,891**	**76,069**	**21,996**	**1,578,020**
Depreciation					
At 1 April 2023	(315,488)	-	(4,471)	-	(319,959)
Charge for the year	(22,694)	-	(466)	-	(23,160)
Disposals	688	-	57	-	745
Component write-offs	4,587	-	-	-	4,587
Transfers to investment properties	244	-	-	-	244
At 31 March 2024	**(332,663)**	**-**	**(4,880)**	**-**	**(337,543)**
Impairment					
At 1 April 2023	(3,671)	(285)	-	(491)	(4,447)
Charge for the year	-	-	-	-	**-**
Transferred to completed	(286)	285	(490)	491	**-**
At 31 March 2024	**(3,957)**	**-**	**(490)**	**-**	**(4,447)**
Net Book Value					
At 1 April 2023	1,034,781	42,649	60,133	14,050	1,151,613
At 31 March 2024	**1,068,444**	**74,891**	**70,699**	**21,996**	**1,236,030**
Freehold	877,907	74,891	70,593	21,996	**1,045,387**
Long-leasehold	190,537	-	106	-	**190,643**
At 31 March 2024	**1,068,444**	**74,891**	**70,699**	**21,996**	**1,236,030**

Additions to housing properties in the year included improvement works to existing properties of £32,585,000, (2023: £29,471,000) and capitalised interest of £2,513,000 (2023: £1,991,000) at an average rate of 4.0% (2023: 4.0%). Expenditure on works to existing properties charged to the statement of comprehensive income totalled £65,744,000 (2023: £57,354,000).

15. Investments including properties

	Joint Venture Investments £'000	Investment in subsidiary undertaking £'000	Investment properties £'000	Total £'000
At 1 April 2023	**15**	234	18,803	**19,052**
Additions	**-**	-	970	**970**
Transferred from housing properties	**-**	-	900	**900**
Revaluation			553	**553**
Disposal	**-**	-	(713)	**(713)**
At 31 March 2024	**15**	**234**	**20,513**	**20,762**

Onward Homes Limited invested £234,000 in Atrium City Living Limited in March 19 which comprised a further £50,000 £1 shares and the remaining £184,000 as working capital. To date, Onward Homes Limited holds a total of £50,001 in shares in Atrium City Living Limited

Full valuations of the properties were carried out in March 2024 by external valuers, Thomson Associates, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. Their reports indicated that the market value of investment property and land was £20.5million (2023: £18.8million).

If the investment properties were shown at historic cost less depreciation the carrying value would be as follows:

	2024 £'000	**2023** £'000
Historic costs	12,150	12,310
Accumulated depreciation	(2,171)	(1,928)
	9,979	10,382

Onward Homes Limited comprises the following entities, all registered in England.

Organisation	Status	Registration number	Principal activity	Share capital held £
Atrium City Living Limited	Private Limited Company (by shares)	4710066	Commercial property services	50,001
Onward Build Limited	Private Limited Company (by shares)	10665852	Development company	100
Onward Pensions Trustee Limited	Private Limited Company (by Shares)	10667578	Pension Funding	100

Atrium City Living Limited, Onward Build Limited and Onward Pensions Trustee Limited are not consolidated into the results of Onward Homes Limited as a full consolidation takes place at the ultimate parent undertaking level, Onward Group Limited.

16. Disposal of investment properties

	2024 £'000	2023 £'000
Net book value	(713)	-
Associated cost to sell	(2)	-
Sales proceeds	673	-
	(42)	-

17. Other tangible fixed assets

	Freehold land and buildings £'000	Scheme equipment £'000	Vehicles, fixtures and equipment £'000	Total £'000
Cost				
At 1 April 2023	17,673	4,331	1,474	23,478
Additions	613	557	634	1,804
Disposals	(2,058)	-	(19)	(2,077)
At 31 March 2024	**16,228**	**4,888**	**2,089**	**23,205**
Depreciation				
At 1 April 2023	(5,104)	(1,699)	(1,365)	(8,168)
Charge for the year	(674)	(366)	(93)	(1,133)
Disposals	480	-	18	498
At 31 March 2024	**(5,298)**	**(2,065)**	**(1,440)**	**(8,803)**
Net book value				
At 1 April 2023	12,569	2,630	110	15,309
At 31 March 2024	**10,930**	**2,823**	**649**	**14,402**

18. Debtors: amounts falling due after one year

	2024 £'000	2023 £'000
Loans to group entities	**58,764**	46,564
	58,764	45,564

19. Properties for sale and work in progress

	2024 £'000	2023 £'000
Properties under construction – low-cost home ownership	**9,200**	6,102
Properties under construction – outright sale	**-**	603
Completed properties	**2,170**	1,518
Assets held for disposal	**455**	455
	11,825	8,678

20. Debtors

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Rent and service charge arrears	**11,719**	11,309
Bad debt provision	**(5,851)**	(5,225)
	5,868	6,084
Trade debtors	**1,443**	1,062
Social Housing Grant and other grant receivable	**2,114**	514
Amounts owed by group entities (note 32)	**8,452**	13,037
Prepayments and sundry debtors	**4,479**	2,272
Loans to group entities	**659**	1,221
Cash in transit	**-**	2,765
Loans to joint ventures	**2,171**	1,941
	25,186	28,896

21. Investments

	2024 £'000	2023 £'000
Investments in credit unions	**50**	50
	50	50

In 2014/15 OHL invested £50k in 50,000 £1 non-deferring interest bearing shares in both Central Liverpool Credit Union Limited (25,000 shares) and in Halton Credit Union Limited (25,000 shares).

22. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank and building society loans (note 24)	**6,522**	4,301
Other loans (note 24)	**2,441**	1,920
Bond discount (note 24)	**(244)**	-
Bond issue costs (note 24)	**(50)**	(50)
Issue costs (note 23)	**(332)**	(176)
	8,337	5,995
Trade creditors	**1,410**	4,763
Capital creditors and retentions	**369**	805
Rent and service charges received in advance	**5,800**	5,663
Other taxation and social security	**852**	584
Deferred Government Grant (note 25)	**5,768**	5,636
Recycled capital grant fund (note 26)	**209**	-
Accruals and deferred income	**25,427**	18,668
Other creditors	**368**	531
Amounts owed to group entities	**-**	397
	48,540	43,042

23. Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Bank and building society loans (note 24)	**91,387**	97,908
Other loans (note 24)	**15,541**	17,989
Bond (note 24)	**265,000**	265,000
Bond Discount (note 24)	**(6,819)**	(7,307)
Bond issue costs (note 24)	**(1,390)**	(1,439)
Issue costs (note 24)	**(1,069)**	(346)
	362,650	371,805
Capital creditors and retentions	**2,835**	1,409
Recycled Capital Grant Fund (note 26)	**3,661**	2,818
Deferred Government Grant (note 25)	**533,839**	480,021
Amounts owed to leaseholders	**3,944**	3,184
	906,929	859,237

24. Debt analysis

	2024 £'000	2023 £'000
Bank and Building Society loans	**97,909**	102,209
Other loans	**17,982**	19,909
Bond	**265,000**	265,000
Bond Discount	**(7,063)**	(7,307)
Bond issue costs	**(1,440)**	(1,489)
Issue costs	**(1,401)**	(522)
	370,987	377,800

All bank, building society and other loans are secured by charges either on the Association's housing properties or on the rental streams arising from properties. Loans are repayable in instalments with final dates up to 2038. The bond is repayable in one instalment due in 2053. As at 31 March 2024 interest rates chargeable varied from 4.26% to 11.67%.

	2024 £'000	2023 £'000
Gross debt is repayable in instalments as follows:		
Within one year	**8,963**	6,221
Between one and two years	**11,297**	8,969
Between two and five years	**54,534**	44,691
After five years	**306,097**	327,237
	380,891	387,118

	Properties under charge	Amount drawn £'000	Valuation of units £'000
Loan charges	13,777	380.,890	711,702

Bond analysis

	Principal amount of the Issued Bond £'000	Discount on Issue £'000	Bond Issue costs £'000	Amount due to bond holders £'000
At 31 March 2023	265,000	(7,307)	(1,489)	256,204
Issued Bond	-	-	-	-
Amortisation of discount on issue and Bond issue costs during year	-	244	50	294
At 31 March 2024	265,000	(7,063)	(1,439)	256,498

On 25th March 2021, the Association issued a 32 year £350m bond ("Bond") at a re-offer yield of 2.215%. The initial offer to the market was for a principal amount of £215m (the "Principal Amount", the issued Bond) with a principal amount of £135m of bonds retained for later issue (the "Retained Bond"). A £50m tranche of the retained bonds were sold on 2nd February 2022. £2.9m of the proceeds were drawn down in February 2022 with the remaining proceeds drawn in June 2022.

24. Debt analysis (cont'd)

A coupon rate of 2.125% meant that the initial issued bond was priced at 97.945% (the "bond issue Price"), equivalent to a discount on issue of £4.4m (2.055%).

The net funds received were £210.6m (£97.945 per £100.00 issued). The £50m tranche of retained bonds were issued at a price of 93.42%, a discount of £3.3m. £2.9m was received in February 2022 with net funds outstanding of £43.8m. These were received in June 2023

The discount on Issue and the Bond Issue costs will be amortised over the term of the Bond. Interest is payable by the Association to the bondholders at a rate of 2.125% six monthly in arrears on the Principal amount, starting in September 2021. The Principal amount is due for repayment on 25th March 2053.

25. Deferred Capital Grant (Financial Assistance)

	2024 £'000	2023 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant at start of the year	**485,657**	459,383
Grants allocated from RCGF	**506**	1,732
Grant received in the year	**66,689**	37,257
Grant Repaid	**-**	(48)
Grant transferred to other housing association	**(5,020)**	(3,577)
Grants in advance	**197**	157
Disposals	**(1,213)**	(1,531)
Recognised in the Statement of Comprehensive Income in the year – Income	**(807)**	(1,367)
Recognised in the Statement of Comprehensive Income in the year - Amortisation	**(6,402)**	(6,349)
At end of the year	**539,607**	485,657
Due within one year	**5,768**	5,636
Due after one year	**533,839**	480,021
	539,607	485,657

Amounts recognised in the statement of comprehensive income of £6,402,000 includes non-social housing grant of £113,000. Only the social housing grant of £6,289,000 is recognised in note 4.

26. Recycled Capital Grant Fund

	2024 £'000	2023 £'000
At start of the year	**2,818**	2,688
Grants recycled	**1,456**	1,860
Homebuy loans redeemed	**99**	-
Interest	**3**	2
Recycled to new build development	**(506)**	(1,732)
At end of the year	**3,870**	2,818
Due within one year	**209**	-
Due after one year	**3,661**	2,818
	3,870	2,818
Amount three years or older where repayment may be required	**-**	-

27. Financial instruments

	2024 £'000	2023 £'000
Financial assets measured at transaction price adjusted for transaction costs (historic cost):		
Trade receivables (note 20)	**1,443**	1,062
Other receivables (note 20 & 18)	**82,507**	74,398
Cash and cash equivalents	**14,374**	46,461
Total financial assets	**98,324**	121,921
Financial liabilities measured at transaction price adjusted for transaction cost (historic cost):		
Loan payable (note 24)	**380,891**	387,118
Trade creditors (note 22)	**1,410**	4,763
Other creditors (note 22 & 23)	**573,168**	510,398
Total financial liabilities	**955,469**	902,279

The organisation's policy on treasury management, capital structures, cash flow and liquidity are set out on page 3 of the Strategic Report.

	2024 £'000	2023 £'000
The organisation's financial liabilities are sterling denominated. The interest rate profile of the organisation's financial liabilities (loans and finance leases) at 31 March was:		
Floating rate	**75,408**	79,710
Fixed rate	**305,482**	307,408
	380,890	387,118

28. Obligations under operating leases

The Association leases some of its land and buildings. Payments are accounted for in the month in which they are receivable. The future minimum lease receipts under non-cancellable operating leases are as follows:

	Land and buildings	
	2024 £'000	2023 £'000
Leases expiring:		
Within one year	**927**	807
In the second to fifth years	**3,510**	2,965
In more than five years	**2,850**	3,237
At end of the year	**7,287**	7,009

During the year £959,000 was recognised as income in the statement of comprehensive income in respect of operating leases receivable (2023: £857,000).

The Association holds some of its office equipment on operating leases and contract hires some of its motor vehicles. Payments are accounted for in the month in which they fall due. The future minimum lease payments under non-cancellable operating leases are as follows:

	Vehicles and equipment		Land and buildings	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Leases expiring:				
Within one year	**338**	52	**694**	691
In the second to fifth years	**543**	19	**2,520**	3,210
In more than five years	**-**	-	**1,042**	1,043
At end of the year	**881**	71	**4,256**	4,944

During the year £1,314,000 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2023: £477,000).

29. Provisions for liabilities

	2024 £'000	2023 £'000
Public liability insurance and disrepair claims:		
At start of the year	**1,099**	1,279
Additional provision in year	**1,193**	195
Transfer out of provisions	**(179)**	(375)
At end of the year	**2,113**	1,099

30. Pension liabilities

	2024 £'000	2023 £'000
At start of the year	**15,624**	16,825
Opening deficit liability (Growth Plan)	**-**	-
Interest on pension liabilities	**701**	430
Transfers to reserves (actuarial gain in period)	**1,745**	2,069
Contributions in period	**(4,735)**	(3,851)
Administration expenses	**236**	65
Settlement gain	**(758)**	-
Current service costs in the period	**48**	86
At end of the year	**12,861**	15,624

31. Non-equity share capital

	2024 £	2023 £
Shares of £1 each fully paid and issued:		
At start of the year	**9**	7
Shares issued in the year	**1**	4
Cancelled during the year	**(1)**	(2)
At end of the year	**9**	9

The Association's shares are not transferable or redeemable. Payments of dividends or other benefits are forbidden by the Association's rules and by the Housing Association Acts.

**This note is shown in £s rather than £'000s*

32. Transactions with related parties

During the year the Association transacted with Onward Group, its ultimate parent organisation and other subsidiaries as set out below. There are no guarantees given over and above the normal trading terms set out in the intra-group agreement. There are no provisions required for uncollectible balances and no bad debt expense is required.

	2024 £'000	2023 £'000
Recharge by related party		
Onward Group Limited	**550**	542
Atrium City Living Limited (non- regulated)	**100**	197
Onward Repairs Limited (non-regulated)	**448**	424
Contour Property Services (non-regulated)	**826**	807
Onward Build (non-regulated)	**2,293**	2,577
	4,217	4,547

32.Transactions with related parties (cont'd)

	2024 £'000	2023 £'000
Recharge by service		
Management services	**1,524**	1,737
Loan Interest	**2,693**	2,810
	4,217	4,547

Management services are non-salary related corporate recharges which include IT costs, human resources, finance costs, marketing and communication costs etc.

The Association received charges from:	2024 £'000	2023 £'000
Recharge from subsidiary		
Onward Group Limited	**4,236**	4,217
Onward Build Limited (non-regulated)	**-**	4,448
Onward Repairs Limited (non-regulated)	**9,501**	6,545
	13,737	15,210

Debtors falling due within one year (note 20)	2024 £'000	2023 £'000
Onward Group Limited	**4,221**	8,320
Onward Repairs Limited (non-regulated)	**2,475**	722
Contour Property Services Limited (non-regulated)	**2,323**	4,422
Onward Build Limited (non-regulated)	**90**	794
Atrium City Living Limited (non- regulated)	**2**	-
	9,111	14,258

Debtors falling due after more than one year (note 18)	2024 £'000	2023 £'000
Atrium City Living Limited (non-regulated)	**2,073**	988
Contour Property Services Limited (non-regulated)	**900**	-
Onward Build Limited (non-regulated)	**52,191**	41,976
Onward Repairs Limited (non-regulated)	**3,600**	3,600
	58,764	46,564

Creditors: amounts falling due within one year (note 22)	2024 £'000	2024 £'000
Onward Repairs Limited (non-regulated)	**-**	397
	-	397

All transactions with related parties are provided and received at cost and are apportioned in accordance with an agreed group recharge methodology. The recharge methodology recharges costs mainly on the basis of time, headcount or service usage. Transactions with Atrium City Living Limited, and Onward Repairs Limited (non-regulated) are based on an agreed fee structure per unit for management and development or per property sale.

33. Capital commitments

	2024 £'000	2023 £'000
Capital expenditure contracted for but not provided for in the financial statements general balance	**96,106**	70,357
Capital expenditure authorised by the Board but not yet contracted for general balance	**76,378**	58,667

Capital expenditure commitments are funded through grant funding (Homes England Affordable Homes Programme) and recycled grant, £41,071,000 and cash from approved loan agreements, property sales and retained surpluses, £131,413,000.

34. Impairment

Under FRS102 the Association is required to perform impairment tests on its housing stock so that properties are not shown at an amount exceeding their recoverable amount. At the year-end an impairment review was carried out and reviewed by the Board. In total the Association approved net impairment provisions of £nil in the year (2023: £nil).

35. Contingent liabilities

The association had no contingent liabilities at 31st March 2024 (2023: £nil).

36. Pension costs

Summary

	Group 2024				
	SHPS £'000	OPP £'000	GMPF £'000	MPF £'000	Total £'000
At start of the year	**16,184**	**0**	**(572)**	**12**	**15,624**
Bulk transfer SHPS to OPP	**(14,847)**	**14,847**	**0**	**0**	**0**
Settlement Gain	**(758)**	**0**	**0**	**0**	**(758)**
Net interest on pension liabilities	**189**	**517**	**(5)**	**0**	**701**
Transfers to reserves (actuarial gain in period)	**169**	**1,731**	**(155)**	**0**	**1,745**
Contributions in period	**(953)**	**(3,747)**	**(35)**	**0**	**(4,735)**
Administration expenses	**16**	**220**	**0**	**0**	**236**
Current service costs in the period	**0**	**0**	**48**	**0**	**48**
At end of the year	**0**	**13,568**	**(719)**	**12**	**12,861**

The company participated in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

On 1 July 2023, Onward transferred its share of assets and liabilities in the Social Housing Pension Scheme (SHPS) multi-employer scheme to a defined benefit scheme sponsored by Onward, the Onward Pension Plan (OPP). There are no participating employers outside of the Onward Group.

Benefits in the OPP for transferring members are identical to SHPS. Onward closed the defined benefit section in SHPS on31 March 2016 and only operates a defined contribution scheme for future benefit contributions, the Onward Defined Contribution Pension Scheme run by Aviva.

The OPP is a trust-based defined benefit pension scheme. The Trustee is responsible for running the OPP in accordance with it's trust Deed and Rules, which sets out their powers. The Trustee of the OPP is required to act in the best interests of the beneficiaries of the OPP.

36. Pension costs (cont'd)

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

The Trustee is required to carry out an actuarial valuation every three years. The first formal actuarial valuation of the OPP is ongoing, being performed by the Scheme Actuary for the Trustee as at 30 June 2023.

The OPP's interim Schedule of Contributions states that Onward will pay deficit contributions of £5m per annum less any expenses paid directly by Onward.

The OPP will pay any remaining administration expenses and all levies, including the PPF levy.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

(a). The Social Housing Pension Scheme

Assumptions	**2024**	**2023**
Inflation	-	2.80%
Rate of discount on scheme	-	4.90%
Rate of salary increase	-	3.80%
Rate of increase of pensions	-	3.80%
Life expectancy male non-pensioner	-	22.2
Life expectancy female non-pensioner	-	24.9
Life expectancy male pensioner	-	21
Life expectancy female pensioner	-	23.4

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The fair value of the schemes' assets at 31 March 2024, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	2024	**2023**
	£'000	£'000
Fair value of assets	-	72,871
Present value of liabilities	-	(89,055)
Deficit in the scheme	-	(16,184)

36. Pension costs (cont'd)

(a). The Social Housing Pension Scheme (cont'd)

The market value of the assets of the scheme and the expected long term rates of return at 31 March were:

	2024 £'000	2023 £'000
Market value		
Global Equity	-	1,360
Absolute Return	-	788
Distressed Opportunities	-	2,206
Credit Relative Value	-	2,750
Alternative Risk Premia	-	135
Emerging Markets Debt	-	391
Risk Sharing	-	5,365
Insurance-Linked Securities	-	1,840
Property	-	3,137
Infrastructure	-	8,323
Private Debt	-	3,243
Opportunistic Illiquid Credit	-	3,117
High yield	-	255
Opportunistic credit	-	5
Cash	-	525
Liquid Credit	-	1
Long Lease Property	-	2,199
Secured Income	-	3,345
Liability Driven Investment	-	33,560
Currency Hedging	-	140
Net Current Assets	-	186
Total	-	72,871

	2024 £'000	2023 £'000
Analysis of the amount charged to operating surplus		
Current service cost	-	-
Past service cost / (gain)	-	-
Total operating charge	-	-

36. Pension costs (cont'd)

(a). The Social Housing Pension Scheme (cont'd)

Analysis of the amount credited to other finance income	2024 £'000	2023 £'000
Expected return on pension assets	**878**	3,131
Interest on pension liabilities	**(1,067)**	(3,533)
Net Return	**(189)**	(402)

	2024 £'000	2023 £'000
Movement in (deficit) during the year		
Deficit in schemes at the start of the year	**(16,184)**	(16,261)
Contributions	**953**	3,807
Expected return on plan assets	**(5,312)**	3,131
Interest on pension liabilities	**(189)**	(3,533)
Administration expenses	**(16)**	(65)
Actuarial gain/(loss) in SCI	**5,143**	(3,263)
Discharge of orphan and retained liabilities in SHPS	**758**	-
Bulk transfer of scheme deficits to OPP	**14,847**	-
Deficit in scheme at end of the year	**-**	(16,184)

Amount recognised in the Statement of Comprehensive Income	2024 £'000	2023 £'000
Actual return less expected return on pension scheme assets	**(5,312)**	(42,572)
Experienced gains/(losses) arising on the scheme liabilities.	**5,418**	997
Change in assumptions underlying the present value of scheme liabilities	**(275)**	38,312
Actuarial (loss) recognised in SCI	**(169)**	(3,263)

History of experienced surpluses and deficits	2024 £'000	2023 £'000
Difference between actual and expected returns on assets	**(5,312)**	(42,572)
% of scheme assets	**(6.2%)**	(58.4%)
Experienced (losses)/gains on liabilities	**5,418**	977
% of scheme liabilities	**6.7%**	1.1%
Total amount recognised in SCI	**(275)**	(3,263)
% of scheme liabilities	**(0.3%)**	(3.7%)

36. Pension costs (cont'd)

(a). The Social Housing Pension Scheme (cont'd)

	2024 £'000	2023 £'000
Reconciliation of assets		
Initial recognition of multi-employer defined benefit	**72,871**	112,313
Employer contributions	**953**	3,807
Benefits paid	**(680)**	(3,808)
Administration expenses	**(16)**	-
Interest Income	**878**	-
Expected return on plan assets	**(5,312)**	3,131
Remeasurement of assets	**-**	(42,572)
Discharge orphan & retained liabilities left in SHPS	**(3,133)**	-
Assets bulk transfer to OPP	**(65,561)**	-
Assets at end of year	**-**	72,871

	2024 £'000	2023 £'000
Reconciliation of liabilities		
Initial recognition of multi-employer defined benefit	**89,055**	128,574
Interest cost	**1,067**	3,533
Benefits paid	**(680)**	(3,808)
Actuarial (gain) / loss	**(5,143)**	(39,309)
Administration expenses	**-**	65
Discharge orphan & retained liabilities left in SHPS	**(3,891)**	-
Defined benefit obligation bulk transfer to OPP	**(80,408)**	-
Benefit obligation at end of year	**-**	89,055

(b). Onward Pension Plan

Assumptions	2024	2023
Inflation	2.80%	-
Rate of discount on scheme	5.00%	-
Rate of salary increase	3.80%	-
Rate of increase of pensions	2.80%	-
Life expectancy male non-pensioner	21.8	-
Life expectancy female non-pensioner	24.6	-
Life expectancy male pensioner	20.6	-
Life expectancy female pensioner	23.2	-

36. Pension costs (cont'd)

(b). Onward Pension Plan (cont'd)

The OPP's membership data as at 30 June 2023 has been valued using assumptions as at 31 March 2024 by a qualified independent actuary.

The fair value of the schemes' assets at 31 March 2024, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	2024 £'000	2023 £'000
Fair value of assets	**72,298**	-
Present value of liabilities	**(85,866)**	-
Deficit in the scheme	**(13,568)**	-

The market value of the assets of the scheme and the expected long term rates of return at 31 March were:

	2024 £'000	2023 £'000
Market value		
Insurance-Linked Securities	**343**	-
Property	**581**	-
Cash	**1,386**	-
Gilts	**37,031**	-
Equity Options	**5,704**	-
Gilt Swaps	**578**	-
Inflation Swaps	**(226)**	-
Interest Rate Swaps	**658**	-
Liquidity Fund	**6,534**	-
Strategic Income	**5**	-
Credit Fund	**19,704**	-
Total	**72,298**	-

	2024 £'000	2023 £'000
Analysis of the amount charged to operating surplus		
Current service cost	-	-
Past service cost / (gain)	-	-
Total operating charge	-	-

36. Pension costs (cont'd)

(b). Onward Pension Plan (cont'd)

Analysis of the amount credited to other finance income	2024 £'000	2023 £'000
Expected return on pension assets	2,628	-
Interest on pension liabilities	(3,145)	-
Net Return	(517)	-

Movement in (deficit) during the year	2024 £'000	2023 £'000
Deficit in schemes at the start of the year	-	-
Scheme bulk transfer from SHPS	(14,847)	-
Contributions	3,747	-
Expected return on plan assets	2,135	-
Interest on pension liabilities	(517)	-
Administration expenses	(220)	-
Actuarial gain/(loss) in SCI	(3,866)	-
Deficit in scheme at end of the year	(13,568)	-

Amount recognised in the Statement of Comprehensive Income	2024 £'000	2023 £'000
Actual return less expected return on pension scheme assets	2,135	-
Experienced gains/(losses) arising on the scheme liabilities.	(2,119)	-
Change in assumptions underlying the present value of scheme liabilities	(1,747)	-
Actuarial (loss) recognised in SCI	(1,731)	-

The liabilities are compared, at the relevant accounting date, with the Scheme's total assets to calculate the company's net deficit or surplus.

History of experienced surpluses and deficits	2024 £'000	2023 £'000
Difference between actual and expected returns on assets	2,135	-
% of scheme assets	2.5%	-
Experienced (losses)/gains on liabilities	(2,119)	-
% of scheme liabilities	(2.5%)	-
Total amount recognised in SCI	(1,747)	-
% of scheme liabilities	(2.0%)	-

36. Pension costs (cont'd)

(b). Onward Pension Plan (cont'd)

	2024 £'000	2023 £'000
Reconciliation of assets		
Initial recognition of multi-employer defined benefit	**-**	-
Assets bulk transfer from SHPS	**65,561**	-
Employer contributions	**3,747**	-
Benefits paid	**(1,553)**	-
Administration expenses	**(220)**	-
Interest Income	**2,628**	-
Expected return on plan assets	**2,135**	-
Assets at end of year	**72,298**	**-**

	2024 £'000	2023 £'000
Reconciliation of liabilities		
Initial recognition of multi-employer defined benefit	**-**	-
Defined benefit obligation bulk transfer from SHPS	**80,408**	-
Interest cost	**3,145**	-
Benefits paid	**(1,553)**	-
Actuarial (gain) / loss	**3,866**	-
Benefit obligation at end of year	**85,866**	-

(c). TPT Retirement solutions – The Growth Plan

The Growth Plan is a scheme that members of Onward Homes Ltd (who pay normal contributions to SHPS) have paid Additional Voluntary Contributions (AVCs) to. The Growth Plan has an associated debt resulting in Onward paying deficit contributions. These payments are treated as an expense and charged through the Statement of Comprehensive Income. Deficit contributions are expected to cease in January 2025.

Due to Onward exiting SHPS during the year, this also means the Growth Plan has too been exited. As such, there was no activity during 2023/24 relating to TPT.

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

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

36. Pension costs (cont'd)

(c). TPT Retirement solutions – The Growth Plan (cont'd)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, (2017, £794.9m) liabilities of £831.9m (2017, £926.4) and a deficit of £31.6m (2017, £131.5m). To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 pa	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 pa	(payable monthly and increasing by 3% each 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present value of provision

	31 March 2024 £	31 March 2023 £	31 March 2022 £
Present value of provision	-	**3,565**	5,592

Reconciliation of opening and closing provisions

	2024 £	2023 £
Provision at start of period	-	**5,592**
Unwinding of the discount factor (interest expense)	-	**105**
Deficit contribution paid	-	**(2,037)**
Remeasurement – impact of any change in assumptions	-	**(95)**
Remeasurement – amendments to the contribution schedule	-	**-**
Provision at end of period	-	**3,565**

36. Pension costs (cont'd)

(c). TPT Retirement solutions – The Growth Plan (cont'd)

Income and expenditure impact

	2024 £	2023 £
Interest expense	-	105
Remeasurement – impact of any change in assumptions	-	(95)
Remeasurement – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

Assumptions

	31 March 2024 % pa	31 March 2023 % pa	31 March 2022 % pa
Rate of discount	-	5.52	2.35

(d) Local Government Pension Scheme

The major assumptions used in this valuation for Greater Manchester Pension Fund is as follows.

Assumptions	2024	2023
Inflation	2.75%	2.8%
Rate of discount on scheme	4.85%	4.75%
Rate of salary increase	3.55%	3.75%
Rate of increase of pensions	2.75%	2.95%
Life expectancy male non-pensioner	21.9	22.0
Life expectancy female non-pensioner	25.6	25.8
Life expectancy male pensioner	20.1	20.2
Life expectancy female pensioner	23.3	23.5
Mortality assumptions (normal health)		
Basis	Vita curves CMI 2021 model	Vita curves CMI 2021 model
Non-retired members	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a..	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.
Retired members	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

36. Pension costs (continued)

(d) Local Government Pension Scheme (cont'd)

The major assumptions used in this valuation for Merseyside Pension Fund is as follows. As of 2024 there are no pensioners in the fund.

Assumptions	**2024**	**2023**
Inflation	-	2.7%
Rate of discount on scheme	-	4.9%
Rate of salary increase	-	4.2%
Rate of increase of pensions	-	2.8%
Life expectancy male non-pensioner	-	22.6
Life expectancy female non-pensioner	-	25.5
Life expectancy male pensioner	-	21.2
Life expectancy female pensioner	-	23.7
Mortality assumptions (normal health)		
Basis	-	S3PA CMI 2021
Non-retired members	-	1.5% 121% male, 107% female
Retired members	-	1.5% 117% male, 107% female

	2024 £'000	2023 £'000
Fair value of assets	**1,896**	1,725
Present value of liabilities	**(1,650)**	(1,626)
Deficit in the scheme	**246**	99

The market value of the assets of the scheme and the expected long term rates of return at 31 March were as follows.

	2024 £'000	2023 £'000
Market value		
Equities	**1,308**	1,173
Government Bonds	**284**	259
Property	**152**	155
Cash/liquidity	**152**	138
Total	**1,896**	1,725

36. Pension costs (continued)

(d) Local Government Pension Scheme (cont'd)

	2024 £'000	2023 £'000
Analysis of the amount charged to operating surplus		
Current service cost	**48**	86
Total operating charge	**48**	86

	2024 £'000	2023 £'000
Analysis of the amount credited to other finance income		
Expected return on pension assets	**83**	78
Interest on pension liabilities	**(78)**	(106)
Net return	**5**	(28)

	2024 £'000	2023 £'000
Movement in (deficit) during the year		
Deficit in schemes at start of the year	**560**	(562)
Movement in year:		
Current service cost	**(48)**	(86)
Contributions	**35**	42
Expected return on plan assets	**83**	78
Interest on pension liabilities	**(78)**	(106)
Settlement on exit	**-**	-
Actuarial gain / (loss) in SCI	**155**	1,194
Deficit in schemes at end of the year	**707**	560

	2024 £'000	2023 £'000
Amount recognised in the Statement of Comprehensive Income		
Actual return less expected return on pension scheme assets	47	(1,210)
Experienced losses arising on the scheme liabilities.	-	(6)
Change in assumptions underlying the present value of scheme liabilities	108	2,410
Actuarial gain/(loss) recognised in SCI	**155**	1,194

36. Pension costs (continued)

(d) Local Government Pension Scheme (cont'd)

	2024	2023
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets (£'000)	**47**	(1,210)
% of scheme assets	**2.48%**	-70.14%
Experienced (losses)/gains on liabilities (£'000)	**-**	(6)
% of scheme liabilities	**-**	-0.37%
Total amount recognised in SCI (£'000)	**155**	1,194
% of scheme liabilities	**9.39%**	73.43%

	2024 £'000	2023 £'000
Reconciliation of assets		
Assets at start of year	**533**	1,614
Employer contributions	**35**	42
Employee contributions	**17**	16
Benefits paid	**(11)**	(7)
Expected return on plan assets	**83**	78
Remeasurement of assets	**47**	(1,210)
Settlement on exit	**-**	-
Assets at end of year	**704**	533

	2024 £'000	2023 £'000
Reconciliation of liabilities		
Benefit obligation start of year	**(28)**	**2,175**
Operating charge	**48**	**86**
Interest cost	**78**	**106**
Employee contributions	**17**	**16**
Benefits paid	**(11)**	**(7)**
Actuarial gain/(loss)	**(108)**	**(2,404)**
Settlement on exit	**-**	**-**
Benefit obligation at end of year	**(4)**	**(28)**

37. Post Balance Sheet Events

There are no post balance sheet events to report.