

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

Co-operative and Community Benefit Society: 7528
Regulator of Social Housing: L4472

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024

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**CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

THE BOARD, SENIOR EXECUTIVES AND ADVISORS

THE BOARD

Jane McCall, Chair	
Simon Leighton	Resigned 30 th September 2023
Anthony Read	
Guy Johnson	
Alison Hadden	
Fiona McAuley	
Zahir Yasin	Resigned 31 st March 2024
David Blanchard	
William McKellar	Resigned 31 st March 2024
Shaun Harley	Appointed 1 st October 2023
Paul Clennell	Appointed 14 th May 2024

OTHER MEMBERS

Shahida Latif-Haider	Co-optee to Audit Committee
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Executive Management Team

Mark Howden
Emma Richman
Julie Booker

Secretary and registered office

Jennifer Hayball

Ropewalks
Newton Street
Macclesfield
Cheshire
SK11 6QJ

Auditor

Mitchell Charlesworth (Audit) Limited
5 Temple Square
Temple Street
Liverpool
L2 5RH

Bankers

Barclays Bank plc
1st Floor, 3 Hardman Street
Spinningfields
Manchester
M3 3HF

Principal Solicitors

Devonshires
First Floor
No 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2024
REPORT OF THE BOARD

The Board of Cheshire Peaks & Plains Housing Trust Limited is pleased to present its report together with the audited financial statements of the Trust and its subsidiaries, “the Group”, for the year ended 31 March 2024. Cheshire Peaks & Plains Housing Trust Limited is more usually known as ‘Peaks & Plains’ and is referred to as the Trust throughout this report. The Group refers to both the Trust and its subsidiaries.

PRINCIPAL ACTIVITIES

We are a housing association, registered with the Regulator of Social Housing to provide housing and other services that benefit the public. The Trust’s purpose is “Working together to provide safe homes and thriving communities”. The Trust is an exempt charity, registered with the Financial Conduct Authority under the Cooperative and Community Benefit Societies Act 2014.

The principal activity of the Group is the provision of housing at rents that are affordable to those in need which includes properties let at ‘social’ and ‘affordable’ rent. This involves the management and maintenance of an existing portfolio of accommodation and the commissioning and building of new additional homes.

The Group’s head office is in Macclesfield and its properties are located in Cheshire and Derbyshire. The Group provides general needs homes for families, single people and older people in self-contained flats, houses and bungalows, where people live independently.

INCORPORATION AND SUBSIDIARIES

The Trust was initially formed on 9 February 2005 and commenced trading on 17 July 2006 with a stock transfer of 5,000 housing properties from Macclesfield Town Council.

In 2015 two subsidiaries were established: Peaks & Plains Devco Limited, a development company and Peaks & Plains Tradeco Limited, a non-charitable property company. Peaks & Plains Devco Limited commenced trading in October 2019 and has been consolidated into the Group’s Financial Statements. Peaks & Plains Tradeco Limited has been dormant throughout the year.

BUSINESS REVIEW

Details of the organisation’s performance for the year, and future plans, are set out in the Strategic Report that follows this Report of the Board.

GOVERNANCE

The Trust is a Community Benefit Society operating under the National Housing Federation’s model rules. Only Board Members may become or remain a shareholder and no shareholder shall hold more than one share and each share carries one vote only.

The Trust currently has a G1/V2 rating. Following the Regulator of Social Housing Annual Stability Check, the Trust’s viability grading was regraded from a V1 to a V2 on 25th October 2023. The Regulatory Judgement noted that ‘Peaks & Plains has an adequately funded Business Plan, sufficient security in place and is forecast to continue to meet its financial covenants under a reasonable range of scenarios. The Regulator also stated that ‘Peaks & Plains is investing significantly in its existing stock and in developing new homes, and as a result interest cover is reduced. Additional investment will also be required to ensure continued compliance with fire safety targets. These factors, set in the context of economic pressures including inflation and interest rates, impact on Peaks & Plains’ capacity to respond to adverse events’. The judgement states that the Trusts G1 governance grading was unaffected following these checks.

The Trust has a skills-based Board and annual assessments are undertaken against the Trust’s agreed skills matrix. The Board has a strategic focus and has clear oversight of the delivery of the organisations strategic plan and priorities. The Board has overall responsibility for the management of risks, including those relating to compliance with loan covenants.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
REPORT OF THE BOARD (continued)

EMPLOYEES

The strength of the Group lies in the quality and commitment of its employees, and the ability to meet its objectives and commitments to customers depends on them. The Group is committed to equal opportunities for all its employees and continues to invest in staff training and development. The Trust has previously derecognised the Union arrangement and set up a formal bargaining group including representation that includes Trade Union and Staff Voice (the staff consultation group), this enables all staff to vote on issues such as pay negotiations. The most recent staff survey was completed in March 2024 and 90% of the staff that answered this question agreed that the Trust is a great place to work.

HEALTH & SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides Board and staff training and education on health and safety matters, including safeguarding. The Trust has a Health & Safety Committee, which is made up of the Executive Management Team plus senior managers, that meets quarterly; it is supported by four Health & Safety working groups which cover the in-house maintenance team; compliance, assets and development; commercial and another covering health and wellbeing. The minutes of the Health & Safety Committee meetings are shared with the Board, along with six monthly updates. Health and safety continues to be a key priority for us as detailed within our Corporate Plan; Health and Safety also remains as one of our Strategic risks and is a key part of the internal audit cycle. During the year, we have set our new Health and Safety Strategy and action plan; the lone working policy (now incorporated into a new Personal Safety at Work Policy) and process has been reviewed in detail alongside the procurement and rollout of our new personal safety devices.

THE BOARD, COMMITTEES AND EXECUTIVE

Those Board Members who served during the period and the Group's executive directors are set out on page 1.

The Board comprises up to nine non-executive members and is responsible for the strategy, policy framework and managing the affairs of the Trust. The Board delegates the day-to-day management and implementation of its strategy to the Chief Executive and other members of the Executive Management Team (EMT).

The Board is supported by the Audit Committee and the Governance Committee. The Audit Committee meets at least four times per year and has responsibility for overseeing the Trust's audit functions, leading on matters of risk and more recently taking the lead on data governance; historically this has included health and safety, however, the oversight of health and safety is now the direct responsibility of the Board.

The Governance Committee meets at least three times per year and is responsible for reviewing the skills required by Board Members and ensuring appropriate arrangements for member development and succession, ensuring compliance with the Code of Governance, approving, and recommending policies which support good governance and oversight of the Human Resources functions. The Committee has previously led on data governance.

The Board of the Trust's trading subsidiary, Peaks & Plains Devco Limited, is made up of Board and Executive members and has met twice during the period and is responsible for the governance of the subsidiary.

The Trust Board, Subsidiary Board and Committees obtain specialist advice as required.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
REPORT OF THE BOARD (continued)

CODE OF GOVERNANCE

The Group, following the decision at the Board meeting in March 2023, adopted the National Housing Federation (NHF) Code of Governance (2020) as its chosen code of governance for 2023/2024. The Board, through its Governance Committee, carries out an annual assessment of the Trust's compliance against the Code. The Trust confirms compliance with all material parts of its adopted code of governance for the year ended 31 March 2024. The PPHT board also agreed in March 2023 that neither of its subsidiaries were required to adopt the NHF code of governance (2020). Tradeco is currently dormant and the Trust is satisfied that, through its oversight of Devco's limited activities and governance, the Devco board holds itself to an appropriate standard of governance.

STATEMENT OF COMPLIANCE

In preparing this report, a review of the organisation's compliance with the Regulator of Social Housing's Regulatory Standards has taken place. During 2023/2024 the trust completed reviews of compliance with all of the RSH's Regulatory Standards, no issues of non-compliance were identified as part of these reviews.

Following these reviews, it is the opinion of the Board that the Group complies with the latest Governance and Financial Viability Standard.

INTERNAL CONTROLS ASSURANCE

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the report and financial statements. The Group has a number of arrangements in place that comprise the overall internal control framework, which are used to provide Board with assurance about the adequacy of this framework.

The Board has ultimate responsibility for the system of internal control but has delegated authority to the Audit Committee to regularly review its effectiveness. The Audit Committee was formed to oversee the internal control framework across the Group. It does this by reviewing the effectiveness of the system of internal control across the spectrum of the framework. This includes considering risk registers, internal audit reports, fraud reports, management assurances, the external management letter and specialist reviews on areas such as treasury and business planning. In March 2024 the Board agreed that the oversight of data governance would also move to the Audit Committee, as this is a key risk on the Trust's strategic risk register.

The Audit Committee received and considered reports from management on risk management and control arrangements at each meeting during the year and the Board discussed risk and the impact of the decisions that it took at each meeting.

The Audit Committee received, from the Chief Executive, the report on the annual review of the effectiveness of the system of internal control for the Group at the meeting in July 2024, it also received the annual report of the internal auditor at its meeting in May 2024. The Committee has reported the findings to the Board.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
REPORT OF THE BOARD (continued)

INTERNAL CONTROLS ASSURANCE (continued)

Key elements of the system of control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Trust's assets.
- Experienced and suitably qualified staff take responsibility for important business functions, and each of those functions maintain an operational risk register, which are reviewed monthly by the appropriate manager. The Senior Management Team review each of the operational risk registers in detail at least once per year and a quarterly report is submitted to the Executive, detailing key risks which may require escalation to the strategic risk register.
- Forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through Board resolutions.
- Regular monitoring of loan covenants and requirements for new loan facilities.
- Board approved whistle-blowing policy.
- Board approved anti-fraud, bribery and corruption policy and anti-money laundering policy, covering prevention, detection and reporting, together with recoverability of assets.

A fraud register is maintained and is regularly reviewed by the Audit Committee. The Group complies with the RSH requirements regarding fraud. There were no reported cases of fraud during the year 2023/2024. During the year the Audit Committee has signed off on the fraud response plan and the fraud risk register, which summarises the key fraud risks faced by the Group and the controls in place.

The Group had a comprehensive internal audit programme during 2023/2024, provided by RSM LLP, Chartered Accountants. The Internal Auditors report to the Group's Director of Resources on each assignment and to each meeting of the Audit Committee on their recent and prospective activity. Audit Committee also undertake an annual assessment as to the effectiveness of the internal auditors.

The Audit Committee considered the internal audit annual report at its May 2024 meeting. The 2023/2024 annual programme included nine audits, which included one advisory, as follows:

- Complaints and Customer satisfaction (reasonable assurance)
- Fire Safety (substantial assurance)
- Safeguarding (reasonable assurance)
- Stock condition surveys (substantial assurance)
- Value for Money (substantial assurance)
- Diversity & Inclusion (substantial assurance)
- Customer Voice (substantial assurance)
- Treasury Management (substantial assurance)
- Damp and Mould Framework - Advisory

During the year there was also a follow up audit of management actions. 33 out of 33 management actions had been implemented and RSM concluded that "the Trust has demonstrated good progress in implementing agreed management actions".

The Audit plan was devised with discussion with both the Executive Management Team (EMT) and also the Chair of the Audit Committee. The Director of Resources was involved in all scoping meetings, and to ensure that the Board could receive greater assurance all audit scopes were reviewed by the Audit Committee, and other Board Members with relevant experience. Based on the results of their internal audits RSM concluded that the Trust "has an adequate and effective framework for risk management governance and internal controls. However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 March 2024 REPORT OF THE BOARD (continued)

INTERNAL CONTROLS ASSURANCE (continued)

The Trust maintains an Asset and Liability Register (ALR) which was subject to a full review in 2022/2023 the review highlighted further improvements that could be made and these have now been implemented. Following this an independent review of the ALR will be undertaken, and has been budgeted for. The ALR is reviewed four times per year by the EMT and twice per annum by the Audit Committee. The ALR is also reported annually to the Board in order to assure them of its adequacy.

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and Committee membership is reviewed annually in line with the Trust's skills matrix. Compliance with the chosen code of governance and the Regulatory Framework is reviewed annually. The Board has undertaken a skills review, which is periodically updated as part of its appraisal process to ensure that the Board has the right skills mix to effectively manage the Group. The Trust undertake a tri-annual independent Governance Review and the most recent one commenced in May 2024.

The Group recognises it can make a real difference by working closely with its customers, both tenants and leaseholders, and is committed to co-regulation through its Challenge Group that is formed from a selection of our customers. The Board received reports from the scrutiny panel on the Trust's approach to anti-social behaviour (ASB) and the end of tenancy process during the year. The arising actions are monitored by both the Challenge Group and Audit Committee.

In addition to internal audit reports and the reports from the scrutiny panel, the Audit Committee receive a six monthly report on the other assurances that are provided throughout the Trust, this includes but is not limited to assurance around gas and electric compliance, treasury advice and pension advice.

External audit provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit. Annually, a management letter is presented to the Audit Committee after the year end audit and once it has been reviewed it is submitted to the RSH. During 2023/2024 the Trust went out to tender for a new external auditor, due to the current auditors contract having come to an end. From this Mitchell Charlesworth were appointed new external auditors on a three-year contract. As with the internal auditors the Audit Committee carry out an annual assessment as to the effectiveness of the external auditors.

GOING CONCERN

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities (£138m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term Business Plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years. From 1 April 2024 the Barclays loan agreement has been amended to an interest cover with an adjusted operating surplus of EBITDA only for five years to 2030, a move away from the current adjusted operating surplus of EBITDA MRI. This creates significantly more headroom for the Trust, allowing us to invest in our properties appropriately.

An assessment of the impact on our financial capacity was undertaken as part of the 30 year Business Plan review. Stress tests were conducted, that were linked to the Trust's Strategic Risk Register – these included multi-variant testing around economic collapse; the test showed that this would break the Business Plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved Business Plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
REPORT OF THE BOARD (continued)

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS

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 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

The report of the Board was approved by the Board on 30th July 2024 and signed on its behalf by:



Jennifer Hayball
Company Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT

OBJECTIVES AND STRATEGY

During 2022/2023 the Trust consulted with tenants and other stakeholders to establish a new 2023-2028 Corporate Plan.

The Board agreed that the Group’s purpose is to be to “Working together to provide safe homes and thriving communities”.

The Trust will deliver this by focussing on the following priorities:

Corporate Objective	Delivered By:
Be a Great Landlord	<ul style="list-style-type: none"> • Listen to what our customers tell us, treat them with respect and act on what they say. • Make sure our homes meet our customers’ needs and support them to make a success of living in their home. • Be easy to deal with and keep our customers in the picture. • Invest in customers’ homes to make them energy efficient, comfortable, safe and affordable. • Be clear about our services and what our customers responsibilities are. • Maintain and repair our customers’ homes, being clear about what we will do and when we will do it. • Work with our customers to reduce the carbon footprint of their home. • Provide our customers with a range of ways for them to hear from us and comment on what we do.
Be a Resilient Organisation	<ul style="list-style-type: none"> • Think about the social impact of everything we do. • Be a profit for purpose business for the benefit of our customers. • Make sure our colleagues are well-equipped to do the right thing for our customers and the Trust. • Embrace change, be agile and look for improvements wherever we can. • Use our resources to make sure our customers get value for money for their rent. • Work with the right partners to help tackle environmental and social challenges. • Invest our money wisely so that we can continue to provide affordable homes. • Have the right systems and checks in place so we can prove that we are being transparent and responsible.
Create Great Places to Live	<ul style="list-style-type: none"> • Provide homes that are right for our business, our customers and our neighbourhoods. • Provide homes that are energy efficient and safe. • Work with our customers and others to create thriving neighbourhoods that they are proud to call home. • Work with our customers, and trusted partners, to support their health and wellbeing. • Engage with our customers in their community, to focus on the issues that matter most to them.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

Our objectives are delivered by inspiring and engaging our staff to deliver great services and exhibiting the Group’s values:

- **We are one team with one goal** - We are open and honest with each other so that we can work together to make things better for our customers and the Trust. We do not work in silos.
- **We are solution focused** - We come up with ideas and find answers and efficiencies wherever we can. When we mess up we say sorry, learn from it, fix it and crack on. We act and keep things moving.
- **We think like a customer, act like a business owner** - We take pride in our homes and our work and we give our customers the service and value for money we'd expect ourselves. We always try to do more with less.
- **We do the right thing** - Even when no-one is looking and we speak up if something doesn't feel right – even when that means a tricky conversation. We don't leave loose ends or unfinished work for someone else to sort out.
- **We respect and celebrate our differences** - We are fair and we respect our differences so that we all thrive and feel at home – at work.

The Trust’s values are used together with the Trust’s ‘leadership principles’ to demonstrate how we will go about delivering the objectives in our strategic plan. Our staff recruitment and accountability systems are structured around the values and principles, making them a fundamental part of working at the Group.

Our leadership principles

- Lead as you would like to be led.
- Know your people, make your best better.
- Have backbone, challenge, support and commit.
- There are times when you need to be prepared to muck in.
- Keep in touch, it is good to talk.

The values and leadership principles are supported by a full competency framework and this is reinforced through frequent catch-up conversations between managers and staff, recognising when the values are being demonstrated and when they are not. These catch-ups are formally documented twice in the year at the completion of personal development reviews.

Performance during the Year, by Corporate Priority

The Board has agreed a revised list of KPIs which it keeps under review. In order to ensure that the Board does not lose sight of some key performance areas, triggers have been set for some additional operational performance indicators that are important to the Board. If the trigger is hit, the PI will be escalated and reported to Board as part of our performance pack.

The review below details the key results for the 2023/2024 year

BE A GREAT LANDLORD	March 2023 Result	March 2024 Result	2023/2024 Target	2024/2025 Target
% current tenant rent arrears	1.18%	0.99%	2.39%	2.54%
% first time fix repairs	90.2%	85.10%	93%	92%
% of complaints resolved within agreed timescales	99.5%	99.79%	100%	100%
Properties below EPC C	n/a	2102	2180	2000

Source – Year end Board Report

The Board recognises that to be a great landlord we need to build on strong foundations and there are key measures that relate to income, safety and customer service that the Board has chosen to monitor directly going forward.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

The Trust has maintained excellent performance around arrears, despite the challenges that the cost of living crisis has brought.

The Board monitors the repairs first time fix performance, and for the 2023/2024 year the Trust completed 87.5% of repairs on first visit. Out of the 5,600 routine repairs attended, 700 of these required follow-up appointments. (these figures exclude emergency, out of hours and planned repairs). This is slightly below target. Improving this figure will mean that the Trust doesn't need to reattend and as a result become more efficient in delivering repairs. The Trust believes that there are improvements to be made for 2024/2025, the main one being the introduction of trade-based leads that will work on ensuring tools, materials, and time allowance are optimised for their specific trade to reduce as much as possible any follow-up visits. As a result, the Trust believes the 2024/2025 target is achievable.

Following the publication of the revised Housing Ombudsman's complaints handling code in April 2022, the Group revised its complaints policy. This has led to a greater number of complaints being recognised by the Trust and the Trust introduced the measure of complaints received and responded to within timescale. The Trust completed all but one complaint within timescale during the 2023/2024 financial year. This performance indicator is not calculated in the same way as the TSM, and will include quick fixes and all properties, not just low cost rental accommodation.

The indicator to measure the energy efficiency of our homes changed for 2023/2024 to measure those below EPC Level C, it has previously been measured as those below EPC Level D. The Trust has and continues to spend money on energy efficiency works, which is in part funded by the Social Housing Funding Decarbonisation Fund (SHDF) Wave 2 grant.

BE A RESILIENT BUSINESS	March 2023 Result	March 2024 Result	2023/2024 Target	2024/2025 Target
Overdue Audit actions	8	1	0	0
Number of reportable incidents (RIDDOR)	1	0	0	0

Source – Year end Board Report

The Board recognises that in order to be able to “Help Improve Lives” it must ensure that the underlying business model is robust and resilient to change and, that where necessary improvements are identified, they are implemented. A key measure identified to assist with this is ensuring any audit recommendations are implemented within agreed timescales.

The Trust had 1 overdue audit action at the year-end which was completed in April 2024.

The Trust did not have any reportable incidents during the 2023/2024 year. The last reported incident was February 2023.

CREATE GREAT PLACES TO LIVE	March 2023 Result	March 2024 Result	2023/2024 Target	2024/2025 Target
Number of residential properties vacant for over 8 weeks	4	17	4	4
Non-breached compliance indicators	99.55%	99.44%	100%	100%
Units on site	5	147	52	122

Source – Year end Board Report

The Board recognises that “Great Places to Live” means not only providing new homes but ensuring our existing homes are well maintained, energy efficient and do not have a negative impact on the environment.

At the year end the Trust had 17 properties for letting, that had been vacant for over 8 weeks. Thirteen of these properties were voids; five being improvement voids requiring major component replacement, and eight being standard voids. The remaining four properties were with the neighbourhood team for relet, two of which have been let by May 2024. This measure excludes void properties which are not currently available for let either because they are being used as a decant or because they are subject to financial appraisal.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

The % of non-breached compliance indicators at March 2024 was 99.44%, meaning out of 12,734 services required to be completed, 12,663 had been done, leaving 71 outstanding. A number of these have since been completed.

At the end of March 2024 there were 147 units on site across six development sites. These sites include social, affordable, and shared ownership properties.

Tenant Satisfaction Measures (TSMs)

New Tenant Satisfaction Measures (TSMs) were introduced by Government on 1 April 2023 to help to monitor how well landlords are doing at providing quality homes and services, and to understand how they can make improvements. The Trust collects this data from tenants via Acuity, a company that provides tenant satisfaction surveys and benchmarking services.

The results of the TSMs for the year to March 2024 are detailed in the table below. At the time of completing the financial statements the sector wide benchmarking was not yet available. The benchmarking contained within the table below is from a local benchmarking group.

KPI Name	2023/24	Benchmark	Comments
	Value		
TSM BS01 - % Gas safety checks completed	100.0%	99.97%	All gas servicing has been completed.
TSM BS02 - % Fire safety checks completed	100.0%	100.0%	All fire safety has been completed.
TSM BS03 - % Asbestos safety checks completed	82.9%	100.0%	Contractor availability had led to a delay in the completion of a number of asbestos reinspection surveys ahead of their anniversary date. These have been subsequently completed at the start of May 2024. The delays affected 18 out of 257 blocks which were scheduled to be surveyed. 2 of the affected blocks related to Range Court and Pennine court which accounted for 184 out of 285 dwellings.
TSM BS04 - % Water safety checks completed	100.0%	100.0%	All water safety has been completed.
TSM BS05 - % Lift safety checks completed	100.0%	100.0%	All lift safety has been completed.
TSM CH01 Part 1 - Stage 1 Complaints relative to the size of the landlord	26.6	39.7	CH01 has been split into two parts in accordance with the guidance. The Trust received 137 stage 1 complaints between 1st April 2023 and 31st March 2024.
TSM CH01 Part 2 - Stage 2 Complaints relative to the size of the landlord	7.9	5.3	CH01 has been split into two parts in accordance with the guidance. The Trust escalated 41 stage 1 complaints (out of a total of 137) to stage 2 between 1st April 2023 and 31st March 2024.
TSM CH02 Part 1 - % Stage 1 Complaints responded to within Complaint Handling Code timescales	100.0%	83.3%	CH02 has been split into two parts in accordance with the guidance. Of the 137 stage 1 complaints received between 1st April 2023 and 31st March 2024, 100% were responded to within timescales. There were 31/137 extensions agreed to response times at investigation stage.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

TSM CH02 Part 2 - % Stage 2 Complaints responded to within Complaint Handling Code timescales	97.5%	83.3%	CH02 has been split into two parts in accordance with the guidance. Of the 41 stage 2 complaints received between 1st April 2023 and 31st March 2024, 97.5% were responded to within timescales There were 10/41 extensions agreed to response times at review stage.
TSM NM01 Part 1 - Anti-social behaviour cases relative to the size of the landlord	66.2	38.6	ASB reports for current period are in line with those from previous years. This suggests stable level of activity in our communities. The team is well staffed and trained effectively to deal with cases. In 2023/24 we had 349 reports of ASB.
TSM NM01 Part 2 - Anti-social behaviour cases relative to the size of the landlord that involve hate incidents	1.5	0.7	The number of cases relating to hate crime have been isolated incidents (only 8) and on review are not considered a pattern or something that would suggest a wider issue in the communities we serve. The team are trained and equipped to deal with any incidents of hate nature, and we are confident that appropriate action is taken in such cases.
TSM RP01 - % Homes that do not meet the Decent Homes Standard	0.6%	0.3%	The number of properties that do not meet the Decent Homes Standard is 34 (0.66%). (This includes properties where work is required to meet HHSRS standards).
TSM RP02 Part 1 - % Non-emergency repairs completed within target timescale	59.4%	81.5%	The team have delivered circa 60% of repairs within target timescale. This figure has been improving steadily through the year and further improvements are expected in the 2024/25 financial period via the agreed action plan.
TSM RP02 Part 2 - % Emergency repairs completed within target timescale	94.9%	94.8%	The target is 4 hours and 95% of all emergencies were delivered within this timescale. There were some minor issues onboarding some new contractors earlier in the year. This has now been resolved and performance has improved in the final quarter of the financial year.
TSM TP01 - Overall satisfaction	71.6%	69.4%	Many measures have not changed dramatically since the previous year, with annual changes of less than 4% including services provided, repairs and resident engagement. Only one measure recorded an increase since the previous year, which is our approach to dealing with ASB, with a 6% increase. However, six metrics have decreased in satisfaction over the past year. The biggest fall has been around handling of complaints (down 15%) and 9% for the upkeep of communal areas. To understand this further we are consulting with customers on the complaints process and communal cleaning in blocks. This will help teams identify areas for improvement and understand customers' expectations of the service.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

TSM TP02 - % Satisfaction with repairs	74.1%	70.4%	The team (including gas repairs) delivered circa 20,000 repairs in the year. There are some ongoing plans to further improve service delivery but overall, three quarters of our tenants are satisfied with the repairs service. It is positive that such a reactive service scores the third highest overall in tenant satisfaction across the Trust.
TSM TP03 - % Satisfaction with time taken to complete most recent repair	70.2%	66.4%	This Q4 result improved from the previous quarter, bringing annual satisfaction to 70.2%. The Trust have a strict policy of ensuring we deliver the repairs in the order they were raised, which has been agreed with the customer Challenge Group. We have also worked closely with this group improving communication with customers to be clear when work will be undertaken. Although improvements are still being implemented.
TSM TP04 - % Satisfaction that the home is well maintained	69.6%	69.4%	The Trust will be publishing its 2024/25 investment programme to tenants over the coming months. Satisfaction with work when complete remains high at 99% however the Trust will consult with tenants to seek views on which investment streams would most improve satisfaction.
TSM TP05 - % Satisfaction that the home is safe	79.9%	76.1%	The high level of satisfaction reflects the performance in relation to completion of risk assessment, inspection, servicing and testing through the year.
TSM TP06 - % Satisfaction that the landlord listens to tenant views and acts upon them	61.8%	58.9%	The Customer Voice and Communications Team are working with Teams such as Complaints to ensure we are feeding back on our lessons learnt and quarterly updates on customer voice activity across the Trust and to customers.
TSM TP07 - % Satisfaction that the landlord keeps tenants informed about things that matter to them	73.6%	69.5%	The Customer Voice and Communications Team are working closely with Teams across the Trust to ensure we are communicating with customers within a timely manner for example monthly meetings with the Repairs Team to review complaints and feedback.
TSM TP08 - % customer satisfied that we treat them fairly and with respect	77.5%	76.3%	As a Trust, we offer training on a variety of issues such as improving customer experience for people with dementia to ensure our customers feel heard and understood whilst staff show care and empathy.
TSM TP09 - % Satisfaction with the landlord's approach to handling complaints	40.5%	33.8%	Over the year 239 customers responded to the question of which 97 were either very, or fairly satisfied. Annual performance was 40.5% which is greater than Q3 benchmarking.
TSM TP10 - % Satisfaction that the landlord keeps communal areas clean and well maintained	58.4%	65.5%	We are undertaking a more detailed survey with relation to our cleaning services which will link in with re-procurement of both sheltered and general needs cleaning. However, this TSM result also links with Grounds Maintenance which has seen a reduced service in the year due to contractor issues.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

TSM TP11 - % Satisfaction that the landlord makes a positive contribution to neighbourhoods	66.2%	62.5%	Over the year 687 customers responded to the question of which 455 were either very, or fairly satisfied. Although the annual result is below the Q3 benchmark, our Q4 satisfaction figure was 72%.
TSM TP12 - % Satisfaction with the landlord's approach to handling anti-social behaviour	70.6%	57.0%	Satisfaction in Q4 decreased to 66% from 67% last quarter. The overall satisfaction for the year is 70.6%. Introduction of case closure letters earlier this year has been well received. We will be contacting customers via telephone within a week of closure of ASB case from June 2024 to gain any other feedback.

RISKS AND UNCERTAINTIES

Throughout the year the Audit Committee and the Board have continued to work to strengthen the risk and control framework of the Group. This risk appetite statement is reviewed annually by the Board, and this was given a full review at the Board away day in December. At its February meeting the Audit Committee considered the stress testing that needed to be undertaken on the Business Plan and at the meeting in May the mitigations available to address any future impacts on the finances of the Group were reviewed. The Board recognises its duty to safeguard the assets of the Group and believes that financial strength is the key to the delivery of other objectives.

The risk register adopted by the Board includes details of directive / preventative controls together with detective / corrective controls in place. Additionally, we have identified assurance that Board can gain from three lines of defence. At each Audit Committee meeting, a "deep dive" is undertaken on a different strategic risk, during the year the Audit Committee reviewed the risks relating to the political, social and economic environment, the Trust not minimising its impact on the environment, community safety and stock investment. The Audit Committee confirmed that it was assured with the controls in place to detect and mitigate each of these risks. A strategic risk register is maintained that details the key risks that impact the Group. This is annually reviewed against the sector risk profile. In addition, operational risk registers are maintained across the Group and specific risk assessments undertaken. Risk training has been delivered to all staff in the year. Risks are assessed to establish the most significant items by reference to both their impact on the organisation and their likelihood of occurrence. The risk register is included on all Board meeting agendas so the Board can assess any changes arising from papers presented to it.

Risk Appetite Statement

The Board accepts that the Group cannot achieve its objectives or purpose without taking some risks. The risk appetite has been revisited in the year and the Board has identified its appetite against eleven separate risk drivers. The most recent review of risk appetite has seen the Board's appetite for financial viability move from open to cautious. The risk driver 'Diversification/Innovation/Investment (non-core)' has also been separated into two separate risk drivers. Each appetite has been defined as follows. The 2023 appetite is depicted in the following table with an x and the 2024 risk appetite with a ✓

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

Risk Descriptors							What this means to P&P
	Risk Drivers	Averse	Minimal	Cautious	Open	Hungry	
1	Merger				X✓		<=12
2	Diversification/Investment (non-core)			X✓			<=9
3	Development				X✓		<=12
4	Financial Viability			✓	X		<=9
5	Asset Investment/Disinvestment				X✓		<=12
6	Reputation / Customer/stakeholder				X✓		<=12
7	Governance and Control (incl. data)		X✓				<=5
8	Health & Safety and Asset Compliance		X✓				<=5
9	Value for Money				X✓		<=12
10	Environmental			X✓			<=9
11	Innovation			X✓			<=9

The appetite will be reviewed on an annual basis.

For key strategic risks, controls will be put in place to reduce, where possible, the likelihood and the impact of each risk occurring, taking into account the costs and benefits of controlling, transferring or reducing those risks. Risks are scored on a scale of 1 to 5 for both likelihood and impact, both before and after controls and the results multiplied together to arrive at a risk score. Where possible the Group will look to reduce its risks to below the appetite identified by the Board.

Golden Rules

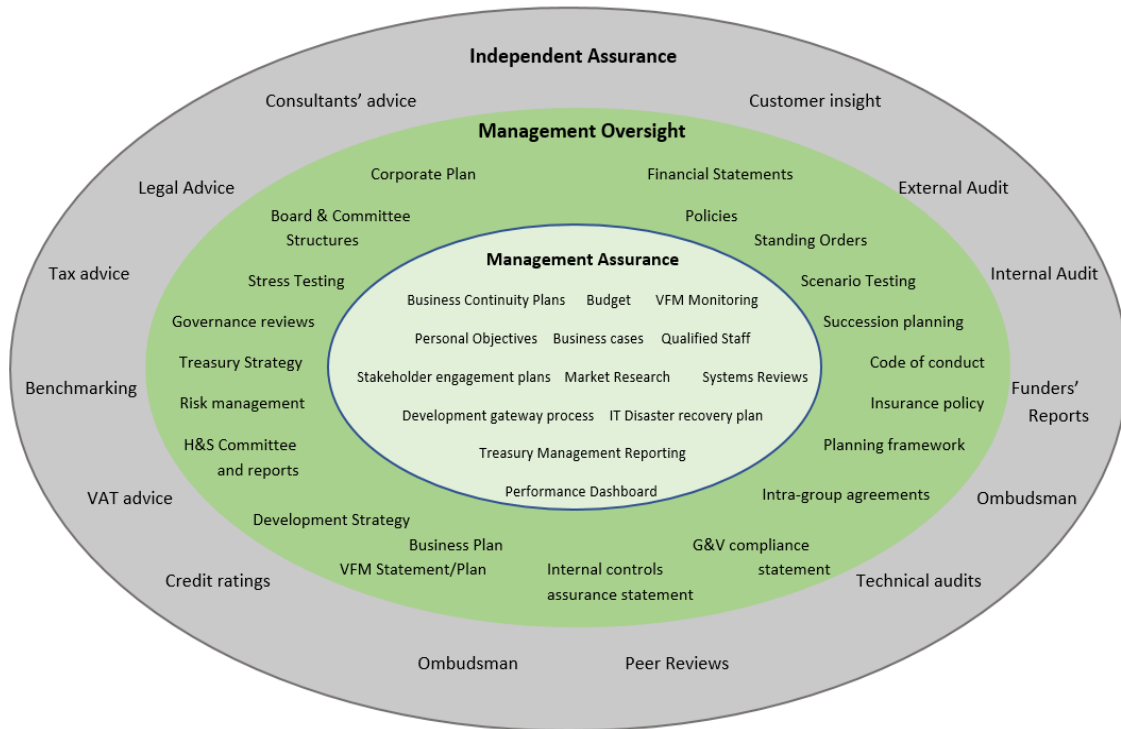
The Group has a number of golden rules that will ensure its financial strength can be maintained. These rules act as early warning indicators for any issues. The rules are noted below. Following amendments to the Barclays loan agreements, from 1st April 2024, the Trust's interest cover will be measured on an EBITDA only calculation with a new golden rule of 1.60.

Golden Rules	2023/2024 Actual
1. Forecast interest cover (EBITDA-MRI/Interest) will be 1.20 or more for all years of the financial plan.	1.69
2. Floating/variable interest rate debt will not exceed 30% of the total outstanding debt for the first two years of the financial forecast plan.	9.30%
3. Funding will be arranged 18 months in advance of need forecast by the approved financial plan.	Yes
4. The total drawn plus accessible funding will be at least 5% higher than the peak debt.	Yes
5. There will be sufficient liquidity to cover the next 3 months forecast operating costs.	Yes
6. Asset cover ratio will be a minimum of 110% for council properties and 130% for other properties.	186%
7. Housing properties at cost will not exceed 60%.	36%

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

We have identified the full range of assurance available to the Board in managing risks and the graphic below shows these grouped into Management Assurance methods, Management Oversight and a range of Independent Assurance.



The Audit Committee receives an annual assurance plan that details the assurance provided by third parties, some of this takes the form of advice and support, whilst others provide specific outputs which are reported and monitored across the Trust. The assurance plan also details if there is an output from the review and where it will be reported. The Audit Committee is asked to confirm that it is happy with the level of scrutiny given to each assurance report. Any actions arising from any of the assurance reports are managed through the Pentana system, which has been introduced to better manage and monitor internal audit actions.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

The Strategic Risk Register risks are rated for their likelihood and impact before and after controls and mitigations are put in place. The risks identified in the Strategic Risk Register are listed below ordered by the risk score before controls:

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Health & Safety - Staff and Customers. The risk that an individual is injured as a result of insufficient H&S controls and monitoring at any Peaks & Plains site - offices, stock or development causing an individual to be injured or a breach in compliance relating to a downgrade.		The Group has ongoing monitoring of all asset compliance and H&S KPIs, along with strong policies and procedures. Training is provided at all levels. The Group has an ongoing Foundations project that is addressing issues in this area. Once this is completed and the Group has fully implemented its H&S management system the residual risk should be brought to a more acceptable level.	
Environmental, risk that the business is not minimising its impact on the environment and will fail to meet Board and government targets. Leading to possibility of being unable to allocate empty properties that do not meet the required EPC standard.		During the recent stock condition survey the Group has now obtained SAP ratings for 98% of its stock. The Board approved an environmental strategy in 2021.	
Stock investment: Stock is not managed and maintained, Housing Quality is not maintained leading to a breach of decency standards; high voids and reputational damage. Also increased disrepair claims.		The Group has completed a 96% stock condition survey during the year and its staff are trained to detect issues. The Group has effective procurement and contract management, and the annual programme of investment is mapped against a decent homes report to ensure any properties coming out of decency are included in the programme of work.	
Key change to the political, social or economic environment, leading to an impact on rental income, costs and salaries, putting pressure on loan covenants, or impacting pension liabilities.		The Trust uses the golden rules as early indicators of potential impact. The Business Plan also uses prudent assumptions and is stress tested for extreme scenarios. The Trust also has a significant amount of debt on fixed rates of interest. There is regular reporting on material costs to identify areas of concern.	
Poor data governance leads to a loss or disclosure of essential or sensitive data.		Training is provided to all staff around data protection, internet security and phishing, the business case process includes data protection impact. Data sharing agreements with suppliers indemnify the Group from external breaches. In addition the Group has policies for GDPR and security.	
Community Safety - Failure to meet legislative and regulatory requirements around community safety, ASB and safeguarding. Putting our staff and customers at risk of harm.		ASB and safeguarding procedures in place. Processes for reporting safeguarding concerns and regular training for operatives. Safeguarding training to all staff as part of the induction process. Qualified and well trained community safety teams and regular reporting via KPI's.	

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Adverse economic climate impacting on customers' ability to pay their rent. Risk of significantly reduced income caused by the continued roll out of universal credit.		The Group use their Golden Rules as an early warning, and a significant amount of funding is fixed reducing the impact of any changes in interest. The potential impact has been stress tested in the business plan and a mitigation plan established.	
Should the Trust fail to listen effectively to customers views (e.g., complaints, satisfaction surveys, engagement events and other feedback), we will lose opportunities to improve services and increase customer satisfaction.		The Board has approved the Customer Voice Strategy, which includes the review of the Groups residential involvement groups. New Groups have been established in the year.	
That we are unable to maintain or increase property numbers, causing issues with refinancing and the building of communities.		Housing properties at cost has been set as a golden rule and is monitored by the Board. We have a fully funded development plan and we sensitivity test the number of Right to Buys in our Business Plan.	

The risks comprise the Board's assessment of risks that could affect the business, which has been informed by the Regulator's 2023 Sector Risk Profile report.

Currently the Group is aware that there are some areas on its Strategic Risk Register where the risk is not within its appetite level. The Board is working with the Executive team to properly address these issues and further strengthen its risk and control framework. All risks where the residual risk is above the risk appetite have had actions identified and these are included on all reports to Board and Audit Committee.

FINANCIAL PERFORMANCE

We are reporting a surplus for the year of £5.4m (2022/2023: £1.2m). Our financial performance has exceeded our lenders' covenants and has exceeded the results of the budget and the forecast.

The table below summarises the overall results of the Group:

	2024	2023
	£000s	£000s
Turnover	32,009	31,538
Operating costs and cost of sales	(22,764)	(23,478)
Operating surplus	9,245	8,060
Operating surplus % of Turnover	28.88%	25.56%
Net interest charges	(3,834)	(6,833)
Surplus for the year before tax	5,411	1,227
Taxation	(20)	(11)
Total Surplus for the Year	5,391	1,216

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (continued)

Turnover has seen an increase from 2023 of £471k. Whilst the rental increase of 7.7% generated £2.1m of additional income for the year, shared ownerships sales for 2023/2024 are £2m lower than 2022/2023, due to the timeline of the development programme. Additional income has been received from service charge recovery and non-social housing activities. Operating cost and cost of sales have seen a decrease of £1.15m. There is an increase in operating costs which is mainly due to increased repair costs however the lower number of shared ownership sales means the costs of sales has seen a reduction from 2023. During 2023/2024 there has been £1.1m spend on fire remedial works that have been excluded from the loan interest cover calculation, in addition to £321k of capitalised fire safety works. Net interest charges have seen a reduction from 2023, this is due to refinancing that took place during 2022/2023 which incurred break costs due to the repayment of the existing facilities.

The detailed results for the year are set out in the financial statements on pages 31-78.

Capital structure

Borrowings at 31 March 2024 were £107.5m (2022/2023: £87.5m). This is detailed in the table below.

	2024		2023	
	Available facility £m	Drawn £m	Available facility £m	Drawn £m
Barclays Loan Facility	65	35	65	35
Barclays Overdraft Facility	0.5	-	0.5	-
Aviva	72.5	72.5	72.5	52.5
Total facilities	138	107.5	138	87.5

The Barclays loan facility is £65m. This includes a revolving credit facility (RCF) of £30m. There is £25m on fixed rates of between 6.37% and 6.7%, and a further £10m on a variable rate linked to SONIA with a margin of 1.35%. At 31 March 2024, the RCF has not yet been drawn on.

The Aviva loan facility of £72.5m, comprises of 3 tranches:

- Tranche A £25m senior secured notes, coupon rate 4.2% settlement date 7 July 2022 due 2042;
- Tranche B £20m senior secured notes, coupon rate 4.81% settlement date 7 July 2023 due 2048; and
- Tranche C £27.5m senior secured notes, coupon rate 4.72% settlement date 7 July 2022 due 2052.

At 31 March 2024, all tranches were drawn, Tranche B of £20m was drawn in July 2023.

The overdraft facility is used to manage very short-term cash flow and was not used during the year.

At 31 March 2024, £97.5m of the total drawn borrowings of £107.5m have interest rates fixed for longer than 12 months. This means only 9.30% (2022/2023: 11.43%) of the debt is exposed to short term interest rate increases, meeting our Golden Rule standard of less than 30% being exposed.

In the financial statements, debt is at amortised cost adjusted to take account of known future increases in interest costs. As at 31 March 2024, this adjustment increases the value of the debt drawn to £109m (2022/2023: £89m).

Cash flows

Cash inflows and outflows for the year under review are set out in the Statement of Cash Flows on pages 36-37.

During the year net cash of £14.2m (2022/2023: £13.9m) was generated from operating activities.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (Continued)

Future Developments

The Board have approved the Business Plan for 2024/2025 onwards and the development programme included in the plan provides for a mix of tenures and types of properties. The base plan includes committed sites, proposed sites that are known, and have been or are in the process of being appraised for feasibility. There are six committed schemes within the plan, which are 33.8% of the development programme expenditure, this totals £25.4m. Overall, we are planning to invest £75m by the end of 2028 in the development of c. 370 new homes.

The Trust has invested £11.6m in new affordable homes during the year. Grants of £5m have been received from Homes England, the remaining costs have been funded through surpluses.

Liquidity

The Group's long term policy is not to hold significant cash balances but to have loan facilities in place to fund future requirements. The Group has a revolving credit facility to complement its fixed loans and enable more flexibility in liquidity to follow the preferred policy of keeping cash balances low. In July 2023 the final tranche of the Aviva loan was drawn of £20m. Due to the drawdown and delays in the anticipated development programme the Trust had surplus funds which have been placed in high interest deposit accounts during the year.

Loan covenants

The Group is required to comply with a number of covenants set by its lenders. The covenants are interest cover, asset cover and housing properties at cost. The interest cover within the Barclays loan agreement has an adjusted operating surplus of earnings before interest, tax, depreciation and amortisation with the deduction of major repairs (EBITDA MRI) for the year to March 2024, whilst the Aviva loan agreement has an adjusted operating surplus of EBITDA only. From 1 April 2024 the Barclays loan agreement has been amended to an adjusted operating surplus of EBITDA only, for five years.

Pension arrangements

During the year, the Trust participated in four pension schemes; the Cheshire Pension Fund and three schemes with the Social Housing Pension Scheme (SHPS).

On 22 February 2022, the Trust entered a Deferred Debt Agreement (DDA) with Cheshire Pension Fund starting from 1 April 2022. The DDA enabled the Trust to close future pension build up in the Cheshire Pension Fund without triggering a cessation debt, and instead remain 'on risk'. The expiry date was set as 15 years after the start date, or an alternative date as agreed by the Trust and the Cheshire Pension Fund.

Significant movements in financial markets since 1 April 2022 drastically improved the funding position of the Cheshire Pension Fund. This improvement enabled the Trust to agree an earlier end date to the DDA, without any exit debt being paid to the Cheshire Pension Fund. The agreed exit date was 31 December 2023 and the accounts show a nil balance closing position at this date. The Trust has no further funding obligations to the Cheshire Pension Fund.

The SHPS schemes are in deficit by £751k (2022/2023: £628k) under Section 28 FRS 102 in the balance sheet. Note 27 refers.

Two of the SHPS schemes are defined benefit schemes, which are a multi-employer schemes and the Trust accounts for its obligation on a defined benefit basis.

The Cheshire Pension Fund and SHPS 60th Defined Benefit schemes were no longer offered to staff joining the Trust after July 2019. Colleagues who joined before this date were given 12 months to join these schemes.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff.

The other SHPS scheme is a Defined Contribution scheme that is used as the auto enrolment option when no other option is selected.

At the end of March 2022, the Trust closed all of its defined benefit schemes to future accrual. The Trust currently has 90% of the eligible staff enrolled in its pension scheme.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (continued)

TREASURY POLICIES AND OBJECTIVES

The Trust has a formal Treasury Management Policy, which is reviewed and agreed by the Board every year. The purpose and role of the policy is to establish the framework within which the Trust seeks to protect and control risk and exposure in respect of its borrowings and cash holdings.

The Trust only uses hedging instruments, embedded within the loan agreement, to fix variable rate debt.

The Trust borrows in Sterling and so does not have any currency risk.

Surpluses are invested in financial institutions according to rules that have been approved by the Board. During 2018/2019 the Trust entered into a deposit agreement with Link Treasury Services to receive and facilitate the placement of surplus funds with a deposit bank as instructed by the Trust. This service is still in place and at 31 March 2024 there was £20m placed via this facility, £5m with National Bank of Canada, £7m with Lloyds and £8m with Natwest, on either two or three month fixed term deposits, earning interest rates of between 5.18% and 5.23%.

VALUE FOR MONEY STATEMENT

In January 2023, following extensive consultation with customers and other stakeholders, the Board approved a new five year corporate plan for 2023-2028 that clearly articulates the Group's objectives:

1. To be a great landlord.
2. To be a resilient organisation.
3. To create great places to live.

The Value for Money (VfM) test in relation to these objectives is how many homes we can build whilst delivering great services at costs that are optimum for our agreed level of service.

We also have a clear understanding that continuing to invest in our homes and making our services more efficient, while also maintaining quality, is essential to protecting our financial returns. Protecting our financial position enables us to deliver more new homes.

The Board monitors a range of Value for Money targets that are linked to the delivery of our Corporate Objectives. Some of these are monitored on a regular basis against a target, whilst others are reported annually as part of the sector scorecard results.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

BOARD MEASURED VfM INDICATORS	2022/23 Result	2023/24 Results	2023/24 Target
Rent Collection %	99.3%	100.4%	98.2%
Unpaid rent represents lost value and impacts surpluses, only by maintaining high levels of rent collection can the Group deliver against its corporate plan.			
Re-Investment %	6.59%	13.19%	13.62%
Part of the Regulator's VFM metric this shows how much we are putting back into our current homes.			
New Home Completions	67	34	50
Other ways we measure to make sure we are delivering new homes to help improve more lives.			
Average responsive repair costs	£164	£138	£135
Average planned repair costs	£304	£582	£400
Average void cost	£1,893	£2,307	£2,300
The Group has introduced measures to understand the cost of the repairs and maintenance functions, ensuring we deliver a value for money service this enables us to deliver against all of our strategic objectives.			
Asset performance against NPV	£10,230	£6,877	n/a
The Group use the Social Housing Asset Performance Evaluation (SHAPE) model to measure the average asset performance for the Trust, to ensure optimal benefit is derived from its assets.			
Occupancy %	99%	98%	n/a
Occupancy rates demonstrate how efficient the Group is at turning around void (untenanted or empty) properties and at sustaining existing tenancies. Traditionally, landlords have measured this activity through vacancy rates and void rent loss. This measure provides a more positive perspective; looking at the number of homes occupied.			

Our approach to VfM

The Board has an approved approach to VfM, as detailed in its Value for Money Strategy, reflecting the requirements of the revised Value for Money Standard issued by the Regulator of Social Housing. In its Strategy the Board 'recognises that VfM is a golden thread that runs through the Trust's corporate strategy and needs to continue to improve value for money throughout the organisation, in order that we can continue to build homes, whilst delivering great services at costs that are optimum to our agreed level of service'.

For the Group, VfM is about being effective in how we plan, manage and operate our business. It means making the best use of the resources available to us to provide safe, quality homes in our communities backed by high quality services and support.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Taking account of the Group's current position and the VfM strategic goal, the VfM objectives of the Group are to:

- Deliver more affordable homes and help to create sustainable communities, we are committed to increasing our development strategy with a clear focus on affordable homes; we will develop other tenures in order to support this.
- Ensure that the value of our assets and costs relating to them are well understood and that decisions for investment take both into account. Our approach will detail plans for improving the net present value of our stock portfolio through investment, divestment or tenure change.
- Ensure procurement is planned and used effectively to secure cost savings and/or better services.
- Maintain a rolling plan of service reviews, to identify VfM efficiencies; these reviews will also generate VfM performance indicators so that the effectiveness of the reviews can be measured.
- Direct resources to the right balance between frontline services, maintaining existing assets and providing new homes.
- Embed a VfM culture throughout the organisation. We recognise our people are vital to our success as an organisation and to our ability to deliver VfM across the Trust.
- Improve tenants' involvement in our approach to Value for Money and supporting the wider customer voice in their awareness and understanding of The Trusts approach to Value for Money.
- Maintain customer satisfaction levels, and work with our customers to identify priorities in their neighbourhoods.
- Strengthen our approach to job costing in our repairs and maintenance services to ensure it is robust and enables us to target savings.
- Look to increase digital choice and digitalised services in order to deliver improved operational efficiency for our customers, whilst recognising that digital access will not suit everyone and a range of access methods will always be available. Invest in commercial activity in order to generate a return to fund further investment in the services we provide to our customers.

The Group's 2023-2028 strategic plan clearly articulates the Group's strategic objectives. Value for money also runs through each of the Trusts values, like a golden thread.

The Asset Management Strategy was reviewed during 2023 and in November a revised Asset Management and Development Strategy was approved by Board.

The regulatory and economic environment has changed significantly in the past few years with increasing focus on, building and fire safety, damp and mould and a new approach to regulation of the Consumer Standards being introduced by the Regulator of Social Housing, all of which are set against the context of increasing costs.

The Strategy now includes objectives relating to development activity in one combined Asset and Development Strategy, in order to align focus, resources and capacity across the two key areas. A new three-year delivery plan was also approved to monitor progress against the objectives with the Strategy which will be monitored by the Executive Team and progress reported to Board through the Investment Report.

The Procurement Strategy was revised and approved in November 2023. The purpose of the strategy includes the delivery of quality goods and services with value for money outcomes. The revised strategy has also incorporated a new objective, to prepare for and implement any changes following the Procurement Bill receiving Royal Assent and becoming the Procurement Act 2023. This strategy and the supporting policy and procedures has driven strong behaviours around procurement allowing us to achieve VfM. Through a combination of direct procurement and the use of frameworks we have reviewed and procured new contracts across the Group to optimise VfM in relation to cost and quality. Work has continued across the Group to strengthen contract management to drive value for money from contractors and optimise performance in this key regulatory area.

The adoption of the Board suite of KPIs is the tool used by the Board to monitor delivery of these objectives. These, together with the VfM metrics required by the Regulator, provides the evidence base as to the delivery or otherwise of VfM. The metrics are regularly reported to Board as part of the Group's financial reporting.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

In agreeing the Board's suite of KPIs, the Board ensures that the KPIs chosen indicate delivery of VfM. In part this may be achieved with the help of benchmarked information from benchmarking groups and other housing associations. Good VfM outcomes are achieved by a combination of top quartile results for outcomes and lowest quartile for costs. The ambition of the targets being set, the rigour in which performance against them is monitored and the way they compare with others will all impact on our VfM delivery.

Key Board decisions with VfM implications are informed by an impact summary included in each Board report. The Board is encouraged to challenge that there has been a rigorous option appraisal taking sufficient account of costs and outcomes.

To help the Group deliver further VfM savings a VfM steering group has been set up, the terms of reference for the group include, but are not limited to:

- Responsibility for the review and update of the VfM Strategy.
- Oversight of service reviews and monitoring of resulting savings or performance indicators.
- Review of benchmarking reports.
- Deliver training and embed a VfM Culture.
- Value for Money reporting to the Executive Management Team and the Challenge Group.
- Undertake the annual assessment of the Trust against the VfM Standard.

At the end of January 2021, the VfM steering group rolled out a staff suggestion scheme to encourage all staff to work more efficiently, effectively and economically. The steering group continue to monitor these suggestions, and report on savings that may crystallise. Some suggestions can be implemented easily whilst others are added to our project programme for future delivery. During 2023/2024 54 new ideas were received from staff members, and since the staff suggestion team was rolled out 31 ideas have been, or are currently being implemented. There are also 26 ideas that are still being reviewed by the steering group.

The Trusts staff are also encouraged to submit value for money savings and efficiencies. During 2023/2024 £59k of saving and efficiencies were submitted from all areas across the Trust.

Part of the Group's approach to VfM is our culture of financial prudence; whether that be our salary structure based on median benchmarked spot salaries or the assumptions used in our business planning model. As part of the Trust's 2023-2028 Corporate Plan, under 'Be a Resilient Organisation', the Trust committed to have the right resources in the right places. As part of this a review of the Senior Leadership Team (SLT) was undertaken during the year, the focus being on providing adequate capacity to manage the key risk areas for the Trust; prioritising those areas identified through customer feedback that need to see improvements in the service delivery; responding to changes in the regulatory landscape; and ensuring we have the right workforce to meet the priorities of the 2023-2028 Corporate Plan. This was completed in October 2023 and as well as ensuring resources were in the right place also resulted in an annual saving of £115k.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

VfM Metrics – performance

	2023 Sector (>1,000 units)	2023 Peer Group	2023 Group	2024 Group	2024 Group	2025 Group	2026 Group	2027 Group
	Median	Median	Actual	Budget	Actual	Budget	Budget	Budget
Metric 1 – Reinvestment %	6.73%	8.10%	6.59%	13.62%	13.19%	20.67%	18.92%	14.15%
Metric 2 – New supply delivered %								
A. New supply delivered (Social housing units)	1.28%	1.43%	1.28%	0.38%	0.46%	0.30%	2.07%	1.16%
B. New supply delivered (Non-social housing units)	0.00%	0.00%	0.09%	0.00%	0.15%	0.00%	0.00%	0.00%
Metric 3 – Gearing %	45.28%	40.86%	51.14%	53.52%	48.85%	56.00%	60.00%	62.00%
Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	128%	133%	67.57%	84.81%	105.23%	27%	21%	-18%
Metric 5 – Headline social housing cost per unit (£'000)	4.59	4.51	4.52	4.83	5.07	5.91	6.09	6.84
Metric 6 – Operating Margin %								
A. Operating Margin (social housing lettings only)	19.78%	19.69%	22.46%	19.70%	25.84%	18.13%	23.00%	21.85%
B. Operating Margin (overall)	18.20%	17.36%	22.59%	21.73%	26.50%	19.65%	23.12%	21.34%
Metric 7 – Return on capital employed (ROCE)	2.84%	3.59%	4.86%	3.68%	4.65%	3.50%	3.79%	3.38%

The Group is pleased to report our results against the Regulator’s VfM Metrics. We have compared our performance for the year with our performance last year and also with the housing sector average and a peer group of 15 similar sized North West registered providers; the figures have been calculated from the ‘Global Accounts’ published on the Regulator’s website.

Metric 1: ‘**Reinvestment %**’ this measure looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. This helps to demonstrate that the Group is putting its finances to good use by maintaining and improving stock as well as adding to the asset base. The Group’s result for the year is only marginally lower than a target of 13.19%. This equates to approx. £1m worth of capital spend and is due to the delays in the development programme, however, it is above the average for sector demonstrating the Trusts commitment to investing in both new and existing stock.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Metric 2: **‘New supply delivered’** The Group have delivered 34 units in the year, 26 social and 8 non social. This is below both the sector and peer groups averages but is above the target that was set for the year due to the Trust securing a number of s106 units during the year.

Metric 3: **‘Gearing’** measures the ratio of debt to assets using a concept that is similar to mortgage lenders’ loan to value ratio. If the result is low, this could indicate that the Group has capacity to leverage its existing assets to provide funds for development or new services. A high ratio could indicate that the Group has taken on too much borrowing, which could put its assets at risk. The Group has a gearing ratio which is higher than both the sector and Peer Group averages; this reflects the funding facilities the Trust has in place in order to deliver the improvement and development programmes.

Metric 4: **‘EBITDA MRI Interest cover %’** is an approximation of cash generated. The fact that the Peer Group median is higher than the sector median, although they are lower on operating margin, suggests that either their interest payments are significantly lower or that they are spending less on major repairs. The amount spent by any association on major repairs will depend on where it is in its investment cycle. The Group has a lower result than both the sector and Peer Group, however we are investing considerably more on our existing stock than the sector which averages at £990 per unit compared to the Groups £1,820 per unit..

Metric 5: **‘Headline social housing cost per unit’** this measure uses components from the Group’s financial statements to create a social housing cost figure. This is divided by the number of properties owned and/or managed by the Group for a cost per unit figure that is comparable between different organisations. The Groups cost per unit is higher than 2023 mainly due to the increase in capitalised major repairs spend of £2.5m due to energy efficiency works being delivered under the Social Housing Decarbonisation Fund (SHDF) Wave 2 Funding.

Metric 7: **‘ROCE’** shows how well the Group is using both its capital and debt to generate a financial return. It is a commonly used ratio to assess the efficient investment of capital resources. It can be influenced by the nature of the organisation’s property portfolio (e.g. balance between market and social rent, age of stock, historic debt, basis of valuation). The Group’s ROCE for the current financial year exceeds both the sector and Peer Group averages.

Future Plans

The current Value for Money strategy is being reviewed, with ongoing consultation with customers, staff and the Board. During 2024/2025 service reviews will continue across the Trust, each of the teams also have a service improvement plan to deliver, and the Trust will be looking to strengthen its approach to job costing in repairs and maintenance services. Work also continues to embed the VfM culture throughout the organisation with all employees having a VfM objective within their annual performance development plan (PDP).

Statement of compliance

In preparing this Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018.

The strategic report was approved by the Board on 30th July 2024 and signed on its behalf by:



Jane McCall
Chair

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

Opinion

We have audited the financial statements of Cheshire Peaks & Plains Housing Trust Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statements of Changes in Reserves, the Group and the parent association's Statements of Financial Position, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information. The other information comprises the information included in the Board Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 9, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the association's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the association's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the association's Statement of Financial Activities, (ii) the association's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (III) the pension valuation, (iv) impairment of fixed assets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the association operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice for registered social housing providers issued by the joint SORP making body .

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the association's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. 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 association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

Mitchell Charlesworth (Audit) Limited
Statutory Auditors

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Date: 31st July 2024

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024 – GROUP

	Note	2024 £'000s	2023 £'000s
TURNOVER	3	32,009	31,538
Cost of sales	3	(815)	(2,648)
Operating costs	3	(22,710)	(22,234)
Movement in fair value of investment properties	3	99	467
Surplus on sale of fixed assets - housing properties	3	662	937
OPERATING SURPLUS		9,245	8,060
Interest receivable	7	1,428	276
Interest payable and other financing costs			
- Loan interest	8	(5,108)	(2,968)
- Break costs**	8	-	(4,001)
- Non utilisation fees	8	(129)	(121)
- Pension interest costs	8	(25)	(19)
SURPLUS BEFORE TAX		5,411	1,227
Taxation	11	(20)	(11)
SURPLUS FOR THE YEAR		5,391	1,216
Actuarial (loss)/gain in respect of pension schemes	27	80	(62)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,471	1,154

**The break costs are a result of the re-financing exercise that completed on 7 July 2022. Further details of this can be found in Note 26.

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 30th July 2024.



Jane McCall
Chair



Guy Johnson
Board Member



Jennifer Hayball
Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024 – TRUST

	Note	2024 £'000s	2023 £'000s
TURNOVER	3	32,021	31,550
Cost of sales	3	(815)	(2,648)
Operating costs	3	(22,702)	(22,227)
Movement in fair value of investment properties	3	99	467
Surplus on sale of fixed assets - housing properties	3	662	937
OPERATING SURPLUS		9,265	8,079
Interest receivable	7	1,428	276
Interest payable and other financing costs			
- Loan interest	8	(5,108)	(2,968)
- Break costs	8	-	(4,001)
- Non utilisation fees	8	(129)	(121)
- Pension interest costs	8	(25)	(19)
SURPLUS BEFORE TAX		5,431	1,246
Taxation	11	(20)	(11)
SURPLUS FOR THE YEAR		5,411	1,235
Actuarial (loss)/gain in respect of pension schemes	27	80	(62)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,491	1,173

**The break costs are a result of the re-financing exercise that completed on 7 July 2022.

The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 30th July 2024.



Jane McCall
Chair



Guy Johnson
Board Member



Jennifer Hayball
Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

STATEMENT OF CHANGES IN RESERVES AS AT 31 MARCH 2024

	Note	GROUP Income and expenditure reserve £'000s	TRUST Income and expenditure reserve £'000s
Balance at 31 March 2022 restated	28	64,078	64,124
Opening balance adjustment in respect of gift aid		(16)	-
Surplus for the year		1,216	1,235
Actuarial losses on defined benefit pension scheme		(62)	(62)
Balance at 31 March 2023	29	65,216	65,297
Surplus for the year		5,391	5,411
Actuarial losses on defined benefit pension scheme		80	80
Balance at 31 March 2024		70,687	70,788

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 - GROUP

	Note	2024 £'000s	2023 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	162,272	147,205
Other tangible fixed assets	13	2,239	3,256
Intangible fixed assets	14	-	-
Investment properties	15	11,105	8,711
Investment	16	7	7
		<u>175,623</u>	<u>159,179</u>
CURRENT ASSETS			
Properties held for sale	19	1,327	302
Trade and other debtors	20	1,658	2,064
Cash and cash equivalents	18	29,135	13,211
		<u>32,120</u>	<u>15,577</u>
CREDITORS: Amounts falling due within one year	21	(8,851)	(7,741)
NET CURRENT ASSETS/(LIABILITIES)		<u>23,269</u>	<u>7,836</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>198,892</u>	<u>167,015</u>
CREDITORS: Amounts falling due after more than one year	22	(126,753)	(100,470)
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(751)	(628)
Other provisions	28	(701)	(701)
TOTAL NET ASSETS		<u>70,687</u>	<u>65,216</u>
RESERVES			
Income and expenditure reserve	29	70,687	65,216
TOTAL RESERVES		<u>70,687</u>	<u>65,216</u>

The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 30th July 2024.



Jane McCall
Chair



Guy Johnson
Board Member



Jennifer Hayball
Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 - TRUST

	Note	2024 £'000s	2023 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	162,377	147,284
Other tangible fixed assets	13	2,239	3,256
Intangible fixed assets	14	-	-
Investment properties	15	11,105	8,711
Investment	16	7	7
		175,728	159,258
CURRENT ASSETS			
Properties held for sale	19	1,327	302
Trade and other debtors	20	1,668	2,064
Cash and cash equivalents	18	29,118	13,208
		32,113	15,574
CREDITORS: Amounts falling due within one year	21	(8,848)	(7,736)
NET CURRENT ASSETS/(LIABILITIES)		23,265	7,838
TOTAL ASSETS LESS CURRENT LIABILITIES		198,993	167,096
CREDITORS: Amounts falling due after more than one year	22	(126,753)	(100,470)
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(751)	(628)
Other provisions	28	(701)	(701)
TOTAL NET ASSETS		70,788	65,297
RESERVES			
Income and expenditure reserve	29	70,788	65,297
TOTAL RESERVES		70,788	65,297

The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 30th July 2024.



Jane McCall
Chair



Guy Johnson
Board Member



Jennifer Hayball
Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 - GROUP

	Note	2024 £'000s	2023 £'000s
Net cash generated from operating activities	30	14,170	13,768
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(21,939)	(9,659)
Purchase of other tangible fixed assets		(29)	(298)
Proceeds on sale of fixed assets		1,098	1,198
Grants received		6,501	85
Interest received		1,122	276
Net cash (used in)/from investing activities		(13,247)	(8,398)
Cash flow from financing activities			
Interest paid		(4,999)	(6,960)
New secured loans		20,000	52,500
Repayment of borrowings		-	(41,000)
Net cash from/(used in) financing activities		15,001	4,540
Net change in cash and cash equivalents		15,924	9,910
Cash and cash equivalents at beginning of the year		13,211	3,301
Cash and cash equivalents at end of the year	18	29,135	13,211

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 - TRUST

	Note	2024 £'000s	2023 £'000s
Net cash generated from operating activities	30	14,182	13,841
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(21,965)	(9,694)
Purchase of other tangible fixed assets		(29)	(298)
Proceeds on sale of fixed assets		1,098	1,198
Grants received		6,501	85
Interest received		1,122	276
Net cash (used in)/from investing activities		(13,273)	(8,433)
Cash flow from financing activities			
Interest paid		(4,999)	(6,960)
New secured loans		20,000	52,500
Repayment of borrowings		-	(41,000)
Net cash from/(used in) financing activities		15,001	4,540
Net change in cash and cash equivalents		15,910	9,948
Cash and cash equivalents at beginning of the year		13,208	3,260
Cash and cash equivalents at end of the year	18	29,118	13,208

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. LEGAL STATUS

The Trust is registered under the Co-operative and Community Benefits Society Act 2014 and is a Registered Provider of Social Housing. The registered office is Ropewalks, Newton Street, Macclesfield, Cheshire SK11 6QJ.

The Trust has an investment of one share in Peaks & Plains Devco Limited and one share in Peaks & Plains Tradeco Limited, which are both 100% subsidiaries of the Trust at 31 March 2024. Peaks & Plains Devco Limited commenced trading in October 2019 and is a registered company which develops new housing for sale to the group. Separate accounts have been produced for this subsidiary. Peaks & Plains Tradeco Limited has remained dormant during the financial year, and accounts have been produced to reflect this.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Cheshire Peaks & Plains Housing Trust Limited includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland," the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The financial statements are presented in Sterling (£).

The Trust is a public benefit entity in accordance with FRS102.

The Trust prepares consolidated accounts since Peaks & Plains Devco Limited began trading in October 2019. The other subsidiary, Peaks & Plains Tradeco Limited, remains dormant.

Disclosure exemptions

In preparing the separate financial statements of the Trust, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Trust would be identical;
- disclosures in respect of the Trust's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Trust as their remuneration is included in the totals for the Group as a whole.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities (£138m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years. From 1 April 2024 the Barclays loan agreement has been amended to an interest cover with an adjusted operating surplus of EBITDA only for five years to 2030, a move away from the current adjusted operating surplus of EBITDA MRI. This creates significantly more headroom for the Trust, allowing us to invest in our properties appropriately.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

An assessment of the impact on our financial capacity was undertaken as part of the 30 year business plan review. Stress tests were conducted, that were linked to the Trusts Strategic Risk Register – these included multi-variant testing around economic collapse, the test broke the business plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved business plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

On this basis, the Board has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The following are the significant management judgements made in applying the accounting policies of the Trust that have the most significant effect on the financial statements.

Impairment

With regard to development sites the Trust has estimated the recoverable amount of our housing properties and compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred. Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, there was no impairment of social housing properties.

For sites where development work has not commenced and schemes are still being devised that may or may not be for social housing purposes an independent valuation of each site was undertaken and compared to the value held on the balance sheet. Three future development sites were valued with one of these sites valued at less than the current Net Book Value (NBV), however the additional costs incurred will add to the value of the site once it developed and therefore there is no impairment charge.

The office block is held partly as an investment property. The independent valuation was lower than the previous valuation and as such this has created an impairment on the investment of £108k. There was also a further £9k impairment of the other market rent and commercial properties.

Classification of loans as basic

The Group has a number of loans with Barclays Bank which have a 'two-way break clause' which is applicable where the loan is repaid early and could result in a break cost or a break gain. The loans in question are fixed rate loans. In a prepayment scenario that results in a break gain, the loan agreement provides for the repayment of the capital at par. Any break gain payable by the lender would be in relation to future interest periods only.

Management have considered the terms of the loan agreements and concluded that they meet the definition of a basic financial instrument, as defined by the SORP, therefore are held at amortised cost.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

Legal claim

The legal claim provision of £701k has been provided for using expert knowledge in the area to provide an accurate measurement of expected future costs. Note 28 provides more detail.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Significant Judgements and estimates (Continued)

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Trust engages independent valuation specialists to determine the fair value at each year-end. The valuer uses a valuation technique based on an open market basis. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 15.

The Group classifies investment properties as those built and held for future commercial purpose and not for social purpose. Where a site or property has been purchased with the intention of it being redeveloped in the future, or include affordable housing, it will be held in work in progress in housing properties until the works have been undertaken.

Useful lives of depreciable assets

The management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2024 was £67.9m. The carrying amount of the housing properties was £162.3m.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 27). At 31 March 2024 a DBO of the Social Housing Pension Scheme (SHPS) of £3.9m has been recognised and an accounting deficit of £751k. In making their estimate of the DBO, management have also considered the impact of the McCloud judgement on the LGPS liability and the impact is included as at 31 March 2024.

There is no DBO or deficit recognised for the Cheshire Pension Fund following the exit from the DDA agreement at 31 December 2023.

Basis of consolidation

The Group accounts consolidate the accounts of the association and all its subsidiaries at 31 March 2024 using the purchase method.

The consolidated financial statements incorporate the financial statements of the association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Turnover and Revenue recognition

Income is measured at the fair value of the consideration received or receivable. Turnover represents rental and service charge income receivable in year (net of void losses), income from shared ownership first tranche sales and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Development Rental Income

Rental income is recognised from the point when properties under development reach practical completion and are formally let.

First tranche sales

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Turnover and Revenue recognition (continued)

Service Charges

Service charge income is recognised in the period to which it relates, net of losses from voids. The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

Sinking Funds

Sinking funds are monies held on behalf of leaseholders for future major repairs; they are recorded in creditors in the balance sheet and the monies are held in separate bank accounts

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Other Income is recognised as receivable on the delivery of services provided.

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

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

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

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

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include 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 date is included as a current liability or asset.

Interest payable

Interest payable on borrowings is charged to the statement of comprehensive income net of any interest capitalised to development schemes in the year in which it is incurred.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Interest payable (continued)

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- b) a fair amount of interest on borrowings of the association as a whole after deduction of Grant received in advance to the extent that they can be deemed to be financing the development programme.

Loans, investments and short term deposits

All loans, investments and short term deposits held by the Group meet the definition of basic financial instruments as described in FRS102. These instruments are initially recorded at transaction price less any transaction costs (historical cost).

They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Pension costs

The Group participates in the Cheshire Pension Fund and both the defined benefit and defined contribution sections of the Social Housing Pension Scheme (SHPS).

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 shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The difference between the fair value of the assets held and the scheme's defined benefit obligation (DBO) measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Current service cost and costs from settlements and curtailments and past service costs are charged against operating profit. Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

The Group's employees ceased to accrue new benefits in the Cheshire Pension Fund from 31 March 2022. Instead, these employees were able to join the defined contributions section of SHPS. On 22 February 2022, the Trust entered a Deferred Debt Agreement (DDA) with Cheshire Pension Fund starting from 1 April 2022. The DDA enabled the Trust to close future pension build up in the Cheshire Pension Fund without triggering a cessation debt, and instead remain 'on risk'. The expiry date was set as 15 years after the start date, or an alternative date as agreed by the Trust and the Cheshire Pension Fund.

Significant movements in financial markets since 1 April 2022 drastically improved the funding position of the Cheshire Pension Fund. This improvement enabled the Trust to agree an earlier end date to the DDA, without any exit debt being paid to the Cheshire Pension Fund. The agreed exit date was 31 December 2023 and the accounts show a nil balance closing position at this date. The Trust has no further funding obligations to the Cheshire Pension Fund.

The Group's employees ceased to accrue new benefits in the defined benefit section of SHPS from 31 March 2022. Instead, these employees were able to join the defined contributions section of SHPS. The Group remains responsible for funding benefits accrued until 31 March 2022. In addition, some employees maintain a link to final pensionable salary for accrued benefits while employed by the Group. As no new benefits are accruing, the service cost from 2022/2023 onwards will be zero (except any scheme expenses not accounted for elsewhere).

Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period to which they are incurred.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement that has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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 terminate employment.

Goodwill

Goodwill relates to the excess of the fair value of the consideration paid to Macclesfield Borough Council (MBC) over the fair value of the identifiable assets and liabilities acquired, including the net defined benefit scheme deficit, at the date of transfer from MBC. The consideration paid to MBC equated to the value of the net assets acquired excluding the net defined benefit scheme deficit. As a result, goodwill arose that was equal to the present value of the defined benefit scheme assets compared to the fair value of the defined benefit scheme deficit as at the date of transfer from MBC.

Goodwill is amortised on a straight-line basis over the period calculated by reference to the difference between the average age of employees in the scheme and their expected retirement age that equated to 14 years and completed its amortisation in July 2020. Therefore no charge has been applied for 2023/2024. The available transitional relief has been taken not to restate goodwill on conversion to FRS102.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period and, directly attributable administration costs.

Interest payable on borrowing that has been drawn in order to finance the relevant construction or acquisition is capitalised. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within fixed assets – housing properties and accounted for at cost less depreciation.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Fixed Assets: Housing Properties and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets, which is included in the operating surplus for the year in the statement of comprehensive income.

Depreciation of housing properties

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account of its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation of Housing Properties (Continued)

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components that require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Housing Properties

Structure - New Build	100 years	Structure - Transfer Stock	60 years
Lifts	30 years	Roofs	50 years
Electrical systems	30 years	Windows & Doors	30 years
Kitchen	20 years	Bathroom	30 years
Heating & Boilers	15 years	Energy Efficiency	20 years
Programme Fees	10 years	Environmental	10 years
Other	5 years	Freehold land is not depreciated.	

Any difference between the historical annual depreciation charge and the annual depreciation charge on assets carried at deemed cost is transferred to the revaluation reserve for the asset concerned until that reserve is depleted

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

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as Fixed Assets – Housing Properties and included in completed housing property at cost less depreciation and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of property and included in operating surplus. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Other tangible fixed assets

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

When a property ceases to meet the definition of an investment property the deemed cost for subsequent accounting as property, plant and equipment shall be its fair value at the date of change in use.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The principal estimated useful economic lives used for other fixed assets are:

Fixtures & Fittings	15 years	Computer and office equipment	3 years
Plant, Machinery and Vehicles	3 years	Freehold/leasehold properties	40 years

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

Impairment

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU-SP.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the statement of comprehensive income for the period. The Group holds shares in the Gawsorth Community shop, which is classed as a community investment.

Government grants

Government grants include grants receivable from Homes England (and its predecessor bodies), local authorities and other government organisations. Government grants received for housing properties are carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received using the accrual model set out in FRS 102 and the Housing SORP 2018.

For shared ownership properties the UEL is determined by reference to the average time period for shared ownership properties to be fully staircased.

Where a social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Government Grants (Continued)

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Group is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Recycled Capital Grant Fund

The RCGF is an internal fund within the accounts used to recycle historic grant following relevant events outlined in the Recovery Determination, a legal document setting out Homes England's principles for the recovery of grant. Balances accrued within this fund will have interest applied and be spent in accordance with Homes England Guidance. The existing balance at year end will be carried forward as a liability until spent or repaid if not spent within a three-year period.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Stock (Properties held for Sale)

Stock represents work in progress and completed shared ownership properties where the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour, capitalised interest and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

An assessment of net realisable value is made at each reporting date. When a write-down is required it is immediately recognised in the statement of consolidated income.

On disposal, sales proceeds are included in turnover and the cost of sales including costs incurred in the development of the properties, marketing and other incidental costs are included in cost of sales.

Debtors

Short term debtors, including tenant arrears, are measured at transaction price less a provision for amounts considered unlikely to be received.

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

Creditors

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

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty upon notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Loans

As of 1 January 2022 most LIBOR rate setting has been terminated. Any loans indexed to LIBOR previously should for future periods be indexed to SONIA. PPHT amended all loans from LIBOR to SONIA in the previous financial year.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Leased Assets Lessee

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

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

Any lease incentives received are recognised over the term of the lease as an integral part of the total lease expense.

Leasehold Sinking Funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Provisions for liabilities

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

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

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

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment that is dependent on the disposal of related property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2024	2024	2024	2024	2024	2024
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Social housing lettings	30,361	-	-	-	(22,514)	7,847
Other social housing activities						
First tranche low cost home ownership sales	297	-	-	(254)	-	43
Support Services	23	-	-	-	(17)	6
Surplus on sale of fixed assets - housing properties (Note 6)	-	662	-	-	-	662
Movement in fair value of investment properties (Note 15)	-	-	99	-	-	99
Other	212	-	-	-	(179)	33
	30,893	662	99	(254)	(22,710)	8,690
Non-social housing activities						
Other	1,116	-	-	(561)	-	555
Total	32,009	662	99	(815)	(22,710)	9,245

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP (continued)

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2023	2023	2023	2023	2023	2023
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Social housing lettings	28,159	-	-	-	(21,835)	6,324
Other social housing activities						
First tranche low cost home ownership sales	2,263	-	-	(2,141)	-	122
Support Services	43	-	-	-	(36)	7
Surplus on sale of fixed assets - housing properties (Note 6)	-	937	-	-	-	937
Movement in fair value of investment properties (Note 15)	-	-	467	-	-	467
Other	150	-	-	-	(363)	(213)
	30,615	937	467	(2,141)	(22,234)	7,644
Non-social housing activities						
Other	923	-	-	(507)	-	416
Total	31,538	937	467	(2,648)	(22,234)	8,060

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – TRUST (continued)

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2024 £'000s	2024 £'000s	2024 £'000s	2024 £'000s	2024 £'000s	2024 £'000s
Social housing lettings	30,361	-	-	-	(22,514)	7,847
Other social housing activities						
First tranche low cost home ownership sales	297	-	-	(254)	-	43
Support Services	23	-	-	-	(17)	6
Surplus on sale of fixed assets - housing properties (Note 6)	-	662	-	-	-	662
Movement in fair value of investment properties (Note 15)	-	-	99	-	-	99
Other	212	-	-	-	(171)	41
	30,893	662	99	(254)	(22,702)	8,698
Non-social housing activities						
Other	1,128	-	-	(561)	-	567
Total	32,021	662	99	(815)	(22,702)	9,265

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – TRUST (continued)

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2023	2023	2023	2023	2023	2023
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Social housing lettings	28,159	-	-	-	(21,835)	6,324
Other social housing activities						
First tranche low cost home ownership sales	2,263	-	-	(2,141)	-	122
Support Services	43	-	-	-	(36)	7
Surplus on sale of fixed assets - housing properties (Note 6)	-	937	-	-	-	937
Movement in fair value of investment properties (Note 15)	-	-	467	-	-	467
Other	150	-	-	-	(356)	(206)
	30,615	937	467	(2,141)	(22,227)	7,651
Non-social housing activities						
Other	935	-	-	(507)	-	428
Total	31,550	937	467	(2,648)	(22,227)	8,079

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP (continued)

	General needs 2024 £'000s	Supported housing & housing for older people 2024 £'000s	Low cost home ownership 2024 £'000s	31 March 2024 £'000s	31 March 2023 £'000s
Rent receivable net of identifiable service charges	23,153	5,855	364	29,372	27,253
Service charge income	437	339	71	847	766
Amortised government grants	142	-	-	142	140
Net rental income from social housing lettings	23,732	6,194	435	30,361	28,159
Management	(5,766)	(1,458)	(91)	(7,315)	(7,361)
Service costs	(624)	(484)	(101)	(1,209)	(1,198)
Routine maintenance	(3,308)	(992)	-	(4,300)	(3,427)
Planned maintenance	(2,342)	(702)	-	(3,044)	(2,553)
Major Repairs	(845)	(253)	-	(1,098)	(1,717)
Bad debts	(72)	(18)	(1)	(91)	(82)
Accelerated depreciation of housing properties	(251)	-	-	(251)	(283)
Depreciation of housing properties	(3,913)	(1,173)	(120)	(5,206)	(5,139)
Impairment of housing properties	-	-	-	-	(75)
Operating costs on social housing lettings	(17,121)	(5,080)	(313)	(22,514)	(21,835)
Operating surplus on social housing lettings	6,611	1,114	122	7,847	6,324
Void losses	382	122	(4)	500	464

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – TRUST (continued)

	General needs 2024 £'000s	Supported housing & housing for older people 2024 £'000s	Low cost home ownership 2024 £'000s	31 March 2024 £'000s	31 March 2023 £'000s
Rent receivable net of identifiable service charges	23,153	5,855	364	29,372	27,253
Service charge income	437	339	71	847	766
Amortised government grants	142	-	-	142	140
Net rental income from social housing lettings	23,732	6,194	435	30,361	28,159
Management	(5,766)	(1,458)	(91)	(7,315)	(7,361)
Service costs	(624)	(484)	(101)	(1,209)	(1,198)
Routine maintenance	(3,308)	(992)	-	(4,300)	(3,427)
Planned maintenance	(2,342)	(702)	-	(3,044)	(2,553)
Major Repairs	(845)	(253)	-	(1,098)	(1,717)
Bad debts	(72)	(18)	(1)	(91)	(82)
Accelerated depreciation of housing properties	(251)	-	-	(251)	(283)
Depreciation of housing properties	(3,913)	(1,173)	(120)	(5,206)	(5,139)
Impairment of housing properties	-	-	-	-	(75)
Operating costs on social housing lettings	(17,121)	(5,080)	(313)	(22,514)	(21,835)
Operating surplus on social housing lettings	6,611	1,114	122	7,847	6,324
Void losses	382	122	(4)	500	464

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

4. ACCOMODATION IN MANAGEMENT AND DEVELOPMENT

At the end of the year accommodation in management was as follows:

	GROUP		TRUST	
	No of properties		No of properties	
Social Housing	2024	2023	2024	2023
General Needs - social	2,923	2,928	2,923	2,928
General Needs - affordable	1,019	1,000	1,019	1,000
Supported Housing - social	5	5	5	5
Supported Housing - affordable	0	0	0	0
Housing for older people - social	1,074	1,074	1,074	1,074
Housing for older people - affordable	108	108	108	108
Low cost home ownership	121	121	121	121
Rent to Buy	16	14	16	14
Total Social Housing Units	5,266	5,250	5,266	5,250
Market Rent	41	33	41	33
Total units owned	5,307	5,283	5,307	5,283
Accommodation managed for others	23	11	23	11
Total units owned and managed	5,330	5,294	5,330	5,294
Accommodation in development at the year end	147	-	147	-

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

5. OPERATING SURPLUS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Surplus on ordinary activities is stated after charging/(crediting):				
Depreciation:				
Housing properties (note 12)	5,217	5,127	5,217	5,127
Accelerated depreciation on disposal of components (note 12)	251	283	251	283
Amortisation of grants	(142)	(140)	(142)	(140)
Other tangible fixed assets (note 13)	266	365	266	365
Impairment of housing properties	-	75	-	75
Operating leases:				
Other equipment	13	16	13	16
Auditor's remuneration (excluding VAT):				
Fees payable to the Association's auditor for the audit of the parent and Group annual financial statements	33	48	33	48
Audit of the accounts of subsidiaries	6	-	-	-
Other assurance services	1	-	1	-
Fees payable to the Association's advisors for other services:				
All taxation advisory services	20	27	19	24

6. SURPLUS ON SALE OF FIXED ASSETS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Housing properties				
Sale proceeds	1,416	2,775	1,416	2,775
Carrying value of fixed assets	(435)	(256)	(435)	(256)
Incidental sale expenses	(9)	(60)	(9)	(60)
Right to Buy re-imburement	(310)	(1,506)	(310)	(1,506)
Surplus on sale of housing properties	662	953	662	953

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Other housing properties				
Sale proceeds	-	300	-	300
Carrying value of fixed assets	-	(316)	-	(316)
Loss on sale of other housing properties	-	(16)	-	(16)
Total surplus on sale of housing properties	-	937	-	937

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

7. INTEREST RECEIVABLE AND OTHER INCOME

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Income from bank deposits	1,217	276	1,217	276
Defined benefit pension interest	211	-	211	-
	1,428	276	1,428	276

8. INTEREST PAYABLE AND FINANCIAL COSTS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Break costs	-	4,001	-	4,001
Loans and bank overdraft	5,255	3,117	5,255	3,117
Non-utilisation fees	129	121	129	121
SHPS interest expense	25	11	25	11
Defined benefit pension charge	-	8	-	8
	5,409	7,258	5,409	7,258
Interest capitalised on construction of housing properties	(147)	(149)	(147)	(149)
	5,262	7,109	5,262	7,109

9. EMPLOYEES

	GROUP		TRUST	
	2024 No.	2023 No.	2024 No.	2023 No.
Administration	47	47	47	47
Housing	30	29	30	29
Development and maintenance	80	78	80	78
	157	154	157	154
Employee Costs:	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Wages and salaries	6,280	5,758	6,280	5,758
Social security costs	587	542	587	542
Other Pension costs (included in operating costs)	788	545	788	545
	7,655	6,845	7,655	6,845
Restructuring Costs	69	46	69	46

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

The average monthly number of persons, expressed in full time equivalents (calculated based on a standard working week of 37 hrs):

The Trust's employees are members of the Cheshire Pension Fund or the Social Housing Pension Scheme (SHPS).

10. DIRECTORS AND SENIOR EXECUTIVE REMUNERATION

The full time equivalent number of staff (including executive directors) whose remuneration payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards. Remuneration includes compensation for loss of office.

	GROUP		TRUST	
	2024 No.	2023 No.	2024 No.	2023 No.
£60,001 to £70,000	2	-	2	-
£70,001 to £80,000	3	3	3	3
£80,001 to £90,000	4	2	4	2
£90,001 to £100,000	1	1	1	1
£100,001 to £110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	1	-	1
£130,001 to £140,000	1	1	1	1
£140,001 to £150,000	1	-	1	-
£150,001 to £160,000	-	-	-	-
£160,001 to £170,000	-	1	-	1
£170,001 to £180,000	1	-	1	-
£180,000 to £190,000	-	-	-	-
£190,000 to £200,000	-	-	-	-
	13	9	13	9

Key Management Personnel

The aggregate remuneration for the Executive Management team who are considered to be the key management personnel charged in the year is:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Basic Salary	411	389	411	389
Benefits in kind		-		-
Total Remuneration	411	389	411	389
Social security costs	49	48	49	48
Pension contributions	46	43	46	43
Total cost of key management personnel	506	480	506	480

The Chief Executive (CX) was the highest paid employee in 2023/2024. The emoluments of the CX, the highest paid employee in 2023/2024, excluding pension contributions were £156,378 (2023: £147,951). The Trust's CX is a member of the Social Housing Pension Scheme. He is an ordinary member and no enhanced or special terms apply. The Trust does not make any further contributions to an individual pension arrangement for the CX.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

10. DIRECTORS AND SENIOR EXECUTIVE REMUNERATION (continued)

The Chair and non-executive board members receive an annual emolument. £68,949 was incurred in the year (2023: £62,536). The total board expenses for the year are £1,029 (2023: £1,253).

Non-Executive Directors	Remuneration (£)	Audit Committee	Governance Committee	Board
Jane McCall, Chair	13,446			Chair
Anthony Read	9,683	Chair		✓
Simon Leighton	3,766		Chair (left Sep 23)	✓ (to Sep 2023)
Alison Hadden	8,607		✓ (chair from Oct 23)	✓
Quentin Guy Johnson	5,379	✓		✓
William McKellar	5,379	✓ (to Mar 2024)		✓ (to Mar 2024)
Shahida Latif-Haider (Co-optee not board Member)	3,322	✓		
Fiona McAuley	5,917		✓	✓
David Blanchard	5,379	✓		✓
Zahir Yasin	5,379		✓ (to Mar 2024)	✓ (to Mar 2024)
Shaun Harley	2,690		✓ (from Oct 2023)	✓ (from Oct 2023)
Paul Clennell	NIL			✓ (from May 2024)

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

11. TAX ON SURPLUS ORDINARY ACTIVITIES

The taxation charge which arises in the Trust included within these financial statements comprises:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Current tax				
UK corporation tax on surplus for year	20	11	20	11
Total current tax	20	11	20	11
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Total tax reconciliation				
Surplus on ordinary activities before tax	5,637	1,227	5,657	1,246
Theoretical tax at UK corporation tax rate 25% (2022: 19%)	1,409	233	1,414	237
Effects of:				
Non-taxable income	(1,385)	(219)	(1,390)	(223)
Remeasurement of deferred tax for changes in tax rates	-	1	-	1
Movement in deferred tax not recognised	(4)	(4)	(4)	(4)
Total taxation charge	20	11	20	11

Cheshire Peaks & Plains Housing Trust Limited is an exempt charity with charitable status for tax purposes. As such its main sources of income and gains, received under Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, are exempt from taxation to the extent that they are applied exclusively to its charitable objectives. Non primary trading includes Feed-in-Tariff income received as part of the Trust's renewal energy project. The aggregate current tax relating to items that are recognised as items of other comprehensive income is £20k (2023: £11k).

Peaks & Plains Devco Ltd commenced trading during 2019 - 2020, The aggregate current tax recognised for the period is £nil (2023: £nil) as the subsidiary made a profit which will be paid as gift aid to Peaks and Plains Housing Trust Ltd for 2023/2024. In 2022/2023 Peaks and Plains Devco Ltd made a loss so no tax was payable.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – GROUP

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2023	199,367	2,480	8,781	-	210,628
New development schemes		8,755	-	2,651	11,406
Works to existing properties	9,658	-	1		9,659
Impairment	-	-	-		-
Interest capitalised	-	112	-	36	148
Schemes completed	3,021	(3,021)	531	(531)	-
Transfers	88	-	-	-	88
Property Buybacks		-	192	-	192
Transfer to Investment Properties	(521)	-	-	-	(521)
Disposal of components	(878)	-	-	-	(878)
Disposals	(140)	-	(373)	-	(513)
At 31 March 2024	210,595	8,326	9,132	2,156	230,209
Depreciation					
At 1 April 2023	62,982	-	441	-	63,423
Depreciation charged in year	5,042	-	175	-	5,217
Disposal of components	(626)	-	-	-	(626)
Released on disposal	(59)	-	(18)	-	(77)
At 31 March 2024	67,339	-	598	-	67,937
Net Book Value					
At 31 March 2024	143,256	8,326	8,534	2,156	162,272
At 31 March 2023	136,385	2,480	8,340	-	147,205

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)
12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2023 restated	199,367	2,532	8,808	-	210,707
New development schemes	-	8,781	-	2,651	11,432
Works to existing properties	9,658	-	1	-	9,659
Impairment	-	-	-	-	-
Interest capitalised	-	112	-	36	148
Schemes completed	3,021	(3,021)	531	(531)	-
Transfers	88	-	-	-	88
Property Buybacks	-	-	192	-	192
Transfer to Investment Properties	(521)	-	-	-	(521)
Disposal of components	(878)	-	-	-	(878)
Disposals	(140)	-	(373)	-	(513)
At 31 March 2024	210,595	8,404	9,159	2,156	230,314
Depreciation					
At 1 April 2023	62,982	-	441	-	63,423
Depreciation charged in year	5,042	-	175	-	5,217
Disposal of components	(626)	-	-	-	(626)
Released on disposal	(59)	-	(18)	-	(77)
At 31 March 2024	67,339	-	598	-	67,937
Net Book Value					
At 31 March 2024	143,256	8,404	8,561	2,156	162,377
At 31 March 2023	136,385	2,532	8,367	-	147,284

Expenditure on works to existing properties

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Amounts capitalised	9,659	7,180	9,659	7,180
Amounts charged to income and expenditure account	8,442	7,696	8,442	7,696
	18,101	14,876	18,101	14,876

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

Social Housing Assistance

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Total accumulated social housing grant received or receivable as 31 March:				
Recognised in the Statement of Comprehensive Income	2,108	1,966	2,108	1,966
Held as deferred income	18,432	11,958	18,432	11,958
Total	20,540	13,924	20,540	13,924

Housing properties book value net of depreciation

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Freehold land and buildings	161,842	146,769	161,946	146,848
Leasehold land and buildings	430	436	430	436
	162,272	147,205	162,376	147,284

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGUs) when assessing for impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. CGUs were assessed for changes to the operating environment or the asset and as a result no social housing properties were impaired.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – GROUP

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2023	2,245	1,562	2,730	6,537
Additions	-	-	29	29
Transfer from Investment Properties	-	-	-	-
Disposals	(700)	-	(130)	(830)
At 31 March 2024	<u>1,545</u>	<u>1,562</u>	<u>2,629</u>	<u>5,736</u>
Depreciation				
At 1 April 2023	333	547	2,401	3,281
Charged in year	34	97	135	266
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	-	(50)	(50)
At 31 March 2024	<u>367</u>	<u>644</u>	<u>2,486</u>	<u>3,497</u>
At 31 March 2024	<u>1,178</u>	<u>918</u>	<u>143</u>	<u>2,239</u>
At 31 March 2023	<u>1,912</u>	<u>1,015</u>	<u>329</u>	<u>3,256</u>

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019. During the year the mixed use % changed in the year, with PPHT occupation reducing by 16% from April 2023. In line with FRS 102, when a property ceases to meet the definition of property, plant and equipment, the deemed cost for subsequent accounting as investment property shall be its fair value at the date of change in use.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – TRUST (continued)

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2023	2,245	1,562	2,730	6,537
Additions	-	-	29	29
Transfer from Investment Properties	-	-	-	-
Disposals	(700)	-	(130)	(830)
At 31 March 2024	1,545	1,562	2,629	5,736
Depreciation				
At 1 April 2023	333	547	2,401	3,281
Charged in year	34	97	135	266
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	-	(50)	(50)
At 31 March 2024	367	644	2,486	3,497
At 31 March 2024	1,178	918	143	2,239
At 31 March 2023	1,912	1,015	329	3,256

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019. During the year the mixed use % changed in the year, with PPHT occupation reducing by 16% from April 2023. In line with FRS 102, when a property ceases to meet the definition of property, plant and equipment, the deemed cost for subsequent accounting as investment property shall be its fair value at the date of change in use.

14. INTANGIBLE FIXED ASSETS: GOODWILL

	GROUP Goodwill £'000s	TRUST Goodwill £'000s
Cost		
As at 1 April 2023 and 31 March 2024	1,331	1,331
Amortisation		
At 1 April 2023	1,331	1,331
Charge for year	-	-
At 31 March 2024	-	-
Net book value		
At 31 March 2024	-	-
At 31 March 2023	-	-

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

14. INTANGIBLE FIXED ASSETS: GOODWILL (continued)

Goodwill of £1,331,000 arose on the stock transfer from Macclesfield Borough Council on 17 July 2006. The Trust applied the transactional relief on adoption of FRS 102, as it took place prior to transition date of 1 April 2014 and therefore has not been restated.

15. INVESTMENT PROPERTIES – COMMERCIAL PROPERTY

	GROUP	TRUST
	2024	2024
	£'000s	£'000s
At 1 April 2022 restated	8,522	8,522
Additions	174	174
Impairment	(199)	(199)
Increase in value	665	665
Transfer to Other Fixed Assets	(451)	(451)
	-----	-----
At 31 March 2023	8,711	8,711
At 1 April 2023	8,711	8,711
Additions	2,295	2,295
Impairment	(117)	(117)
Increase in value	216	216
	-----	-----
At 31 March 2024	11,105	11,105
	=====	=====

The valuation for Ropewalks as at 31 March 2024 is an independent valuation carried out by Colliers International professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

In valuing investment properties, an investment methodology was adopted with key assumptions:

Initial yield	5.12%
Equivalent yield	9.75%

The additions in year relate to a change in the percentage of use of Ropewalks between PPE and investment property following the 3rd floor being actively marketed and partially let, and the acquisition of 12 properties let as market rent.

16. INVESTMENT

	GROUP	TRUST
	2024	2024
	£'000	£'000s
At 1 April 2022	7	7
Addition in year	-	-
	-----	-----
At 31 March 2024	7	7
	=====	=====

The Group holds 650 fully paid shares of £10 each in the Gawsworth Community Shop.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

17. INVESTMENT IN SUBSIDIARIES

The Trust has an investment of one share (£1) in Peaks & Plains Devco Limited and one share (£1) in Peaks & Plains Tradeco Limited, which are both subsidiaries of the Trust at the end of the year. Peaks & Plains Tradeco is classed as dormant i.e. not trading at the end of the year. Peaks & Plains Devco Limited began trading in 2019. There was transactions between the Trust and Peaks & Plains Devco Limited during the year. The Trust has the right to appoint members to the boards of the two subsidiaries and therefore exercise control over them.

The Trust is the ultimate parent undertaking. The registered office is the same for all of the group entities.

18. CASH & CASH EQUIVALENTS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Cash at bank and in hand	7,010	5,091	6,993	5,088
Cash equivalents	22,125	8,120	22,125	8,120
Bank overdraft		-		-
	29,135	13,211	29,118	13,208

19. PROPERTIES FOR SALE

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Shared Ownership Properties:				
Completed Properties	296	302	296	302
Work in Progress	1,031	-	1,031	-
	1,327	302	1,327	302

20. DEBTORS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Arrears of rent and service charges	675	768	675	768
Less: provision for bad and doubtful debts	(439)	(507)	(439)	(507)
	236	261	236	261
Other debtors	504	1,015	502	1,015
Less: bad debt provision for other debtors	(243)	(235)	(243)	(235)
Prepayments and accrued income	1,161	1,023	1,161	1,023
Amounts owed by group undertakings	-	-	12	-
	1,658	2,064	1,668	2,064

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Trade creditors	4,376	2,841	4,080	2,839
Other creditors	523	1,903	523	1,903
Bank Loans	-	-	-	-
Rent and service charges received in advance	639	635	639	635
Amounts owed to group undertakings	-	-	559	165
Other taxation and social security creditors	20	11	20	11
Accruals and deferred income	3,077	2,209	2,811	2,041
Deferred grant income (Note 23)	216	142	216	142
	8,851	7,741	8,848	7,736

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

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Loans				
Debt (Note 26)	108,402	88,485	108,402	88,485
Deferred grant income (Note 23)	18,216	11,816	18,216	11,816
Recycled Capital Grant Fund (Note 25)	46	137	46	137
Sinking fund (Note 24)	89	32	89	32
	126,753	100,470	126,753	100,470

23. DEFERRED GRANT INCOME

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
At 1 April 2023	11,958	12,047	11,958	12,047
Grant received in the year	6,616	51	6,616	51
Released to income in the year	(142)	(140)	(142)	(140)
At 31 March 2024	18,432	11,958	18,432	11,958
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Amounts to be released within one year	216	142	216	142
Amounts to be released in more than one year	18,216	11,816	18,216	11,816
At 31 March 2024	18,432	11,958	18,432	11,958

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

24. SINKING FUND

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
At 1 April 2023	32	6	32	6
Sinking Fund Contributions	54	26	54	26
Interest accrued	3	-	3	-
At 31 March 2024	89	32	89	32

25. RECYCLED CAPITAL GRANT FUND

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
At 1 April 2023	137	103	137	103
Deposits	22	33	22	33
Interest accrued	2	1	2	1
Withdrawals	(115)	-	(115)	-
At 31 March 2024	46	137	46	137

As at 31 March 2024, two Right to Acquire claims were reported to Homes England totalling £22k (2023: three claims totalling £33k). These are unpaid at year end.

26. DEBT ANALYSIS

Borrowings

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Due within one year				
Bank Loans	-	-	-	-
Due after more than one year				
Bank Loans	108,402	88,485	108,402	88,485
	108,402	88,485	108,402	88,485

Security

The bank loans are secured by a floating charge over the assets of the Group and by fixed charges on individual properties.

Terms of repayment and interest rates

The principal amount of the housing loans outstanding was £107.5m at 31 March 2024. £72.5m with Aviva is charged interest at a fixed rate (Tranche A 4.20%, , Tranche B 4.81%, and Tranche C 4.72%) with final repayments in 2042, 2048 and 2052. Of the £35m loan with Barclays, £25m is on fixed rates between 6.37% and 6.70%. The variable loan of £10m is charged interest at a margin on the variable rate linked to 6 month SONIA. Refinancing costs of £572k are held offsetting the loan balance and amortised over a 5 year period. The balance at 31 March 2024 was £372k. The remaining difference between the outstanding loan of £107.5m and the carrying value of £108.4m is an adjustment in accordance with FRS 102 to recognise the loans at amortised cost and reflect an effective interest rate over the life of the facilities. The loans are classified as basic and measured at amortised cost using the effective interest rate method.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

26. DEBT ANALYSIS (continued)

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Within one year or on demand	-	-	-	-
One year or more but less than two years	-	-	-	-
Two years or more but less than five years	-	-	-	-
Five years or more	107,500	87,500	107,500	87,500
Total Loans	107,500	87,500	107,500	87,500

During the previous financial year, the Trust secured new funding through a private placement with Aviva. This funding comprises of 3 tranches detailed below:

- Tranche A £25m senior secured notes, coupon rate 4.2% settlement rate 7 July 2022 due 2042
- Tranche B £20m senior secured notes, coupon rate 4.81% settlement date 7 July 2023 due 2048
- Tranche C £27.5m senior secured notes, coupon rate 4.72% settlement date 7 July 2022 due 2052

Tranche B £20m was drawn in July 2023. The Trust has a RCF facility with Barclays for £30m which is undrawn at year end.

27. PENSION SCHEMES

The Trust participates in two defined benefit pension schemes that were no longer offered to staff from June 2019 and were closed to future accrual by existing staff on 1st April 2022. These two schemes, 'The Cheshire Fund' (Local Government Pension Scheme) defined benefit scheme, 'The Cheshire Fund', and 'The Social Housing Pension Scheme (SHPS)', both provide benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Trust.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff. This scheme was closed to both new staff and future accrual by existing staff from 1st April 2022.

A SHPS defined contribution scheme is used as the auto enrolment option when no other option is selected. From 1st April 2023 the SHPS defined contribution scheme is the only one open to existing and future staff.

The Cheshire Fund

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual membership data and actual employer level cashflow data, ultimately for cash contribution setting purposes. The 31 March 2022 funding valuations for English and Welsh LGPS Funds were concluded by 31 March 2023.

The accounting balance sheet position as at the Accounting Date, and the projected charge to the P&L for 2023/24, are therefore based on a new roll forward from the 2022 funding valuation. This differs to the balance sheet position as at the previous year-end and the charge to the P&L for 2022/23, which were based on a roll forward from the 2019 funding valuation.

The employer's contribution to the LGPS by the company for the year ended 31 March 2024 was nil (2023: £158,000). The Trust exited the Fund at 31st December 2023, so no further contributions will be incurred.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

27. PENSION SCHEMES (CONTINUED)

The major assumptions used for the actuarial valuation were as follows:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	GROUP		TRUST	
	2024	2023	2024	2023
	%	%	%	%
Inflation/pension increase rate	2.8%	3.0%	2.8%	3.0%
Rate of increase in salaries	3.5%	3.7%	3.5%	3.7%
Expected return on asset	5.7%	4.75%	5.7%	4.75%
Discount rate	4.55%	4.8%	4.55%	4.8%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023-2024		2022-2023	
	Males	Females	Males	Females
Current pensioners	20.9	24.0	21.1	24.1
Future pensioners	22.1	25.7	21.8	25.5

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Amounts charged to operating costs	-	-	-	-
Interest income on scheme assets	967	838	967	838
Interest on defined benefit obligation	(756)	(846)	(756)	(846)
Amounts credited/(debited) to other finance costs	211	(8)	211	(8)

The amount included in the balance sheet arising from the Trust's obligations in respect of its defined benefit scheme is as follows:

	GROUP		TRUST	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Fair value of scheme assets	-	27,576	-	27,576
Present value of defined benefit obligations	-	(21,629)	-	(21,629)
Surplus/(deficit) in the scheme	-	5,947	-	5,947
Non-recoverable surplus	-	(5,947)	-	(5,947)
Net liabilities in the balance sheet		-		-

The Trust ceased participation in the Cheshire Pension Fund on 31st December 2023. The closing balance is nil in recognition of the Trust no longer having any funding obligation with the Fund.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

27. PENSION SCHEMES (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Opening defined benefit obligation	21,629	31,665	21,629	31,665
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Effect of settlements	(22,032)		(22,032)	
Interest on pension liabilities	756	846	756	846
Contributions by scheme participants		-		-
Actuarial (gains)/losses	197	(10,283)	197	(10,283)
Benefits paid	(550)	(599)	(550)	(599)
Closing defined benefit obligation	-	21,629	-	21,629

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Opening fair value of scheme assets	27,576	31,279	27,576	31,279
Expected return on scheme assets	581	838	581	838
Effect of settlements	(28,574)	-	(28,574)	-
Interest income on plan assets	967	-	967	-
Contributions by scheme participants	-	-	-	-
Contributions by the employer	-	158	-	158
Actuarial (losses)/gains	-	(4,100)	-	(4,100)
Benefits paid	(550)	(599)	(550)	(599)
Closing fair value of scheme assets	-	27,576	-	27,576

Actual return on scheme assets

	GROUP		TRUST	
	2024	2023	2024	2023
	%	%	%	%
Cheshire Pension Fund	5.7%	(9)%	5.7%	(9)%

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2024	2023	2024	2023
	%	%	%	%
Equities	0%	48%	0%	48%
Bonds	93%	36%	93%	36%
Property	0%	13%	0%	13%
Cash	7%	3%	7%	6%

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

27. PENSION SCHEMES (continued)

The Social Housing Pension Scheme

The company participates 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. 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 last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. 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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year.

The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive. 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.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2023 is £628k and £751k as at 31 March 2024.

The major assumptions used for the actuarial valuation were as follows:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	GROUP		TRUST	
	2024 %	2023 %	2024 %	2023 %
Discount rate	4.94%	4.80%	4.94%	4.80%
Inflation (RPI)	3.02%	3.10%	3.02%	3.10%
Inflation (CPI)	2.79%	2.80%	2.79%	2.80%
Salary growth	3.79%	3.83%	3.79%	3.83%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023-2024		2022-2023	
	Males	Females	Males	Females
Current pensioners	20.3	23.0	21.0 years	23.4 years
Future pensioners	22	24.4	22.2 years	24.9 years

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Current service cost	-	-	-	-
Interest on obligation	25	11	25	11
Defined benefit costs recognised in statement of comprehensive income	25	11	25	11

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

27. PENSION SCHEMES (continued)

Fair values defined benefit obligation, fair values of assets and defined benefit liability:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Fair value of scheme assets	3,120	3,243		3,243
Present value of defined benefit obligations	(3,871)	(3,871)		(3,871)
Deficit in the scheme	(751)	(628)	(751)	(628)
Net liabilities in the balance sheet	(751)	(628)	(751)	(628)

Changes in the present value of the defined benefit obligation are as follows:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Opening defined benefit obligation	3,871	6,935	3,871	6,935
Opening obligation adjustment	-	(17)	-	(17)
Current service cost	-	-	-	-
Interest on pension liabilities	184	191	184	191
Contributions by scheme participants		-		-
Actuarial (gains)/losses	(175)	(3,226)	(175)	(3,226)
Benefits paid	(9)	(12)	(9)	(12)
Closing defined benefit obligation	3,871	3,871	3,871	3,871

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Opening fair value of scheme assets	3,243	6,436	3,243	6,436
Expected return on scheme assets	159	180	159	180
Contributions by scheme participants	-	-	-	-
Contributions by the employer	215	188	215	188
Actuarial (losses)/gains	(479)	(3,541)	(479)	(3,541)
Benefits paid	(18)	(20)	(18)	(20)
Closing fair value of scheme assets	3,120	3,243	3,120	3,243

Actual return on scheme assets

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Social Housing Pension Scheme	(320)	(3,361)	(320)	(3,361)

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

27. PENSION SCHEMES (continued)

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2024	2023	2024	2023
	%	%	%	%
Equities	13%	5%	13%	5%
Bonds	66%	71%	66%	71%
Property	15%	19%	15%	19%
Cash	6%	5%	6%	5%

Amounts recognised in the balance sheet

The amounts recognised in the balance sheet are as follows:

	GROUP		TRUST	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
The Cheshire Fund				
Present value of scheme liabilities	-	27,576	-	27,576
Fair value of scheme assets	-	21,629	-	21,629
Defined benefit scheme (surplus)/liability	-	(5,947)	-	(5,947)
Non-recoverable surplus	-	5,947	-	5,947
Net pension liability	-	-	-	-

The Social Housing Pension Scheme

Present value of scheme liabilities	3,871	3,871	3,871	3,871
Fair value of scheme assets	3,120	3,243	3,120	3,243
Net pension liability	751	628	751	628

28. OTHER PROVISIONS

	GROUP		TRUST	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Balance as at 1 April	701	-	701	-
Increase in provision	-	701	-	701
Released in the year	-	-	-	-
Balance as at 31 March	701	701	701	701

The provision above represents a mesothelioma claim relating to an employee that no longer works for the Trust. The former employee passed away in 2023/2024. The employee was exposed to asbestos during his employment with Macclesfield Borough Council and transferred to the Trust in 2006, and as such any employment liability transferred to the Trust also.

Discussions are ongoing to agree the final settlement amount, but this is expected to be paid during the 2024/2025 financial year.

29. RESERVES

Income and expenditure reserve - includes all current, prior period retained surplus and deficits alongside any prior

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

period adjustments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

30. CASH FLOW FROM OPERATING ACTIVITIES (continued)

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Surplus for the year	5,391	1,216	5,411	1,235
Adjustments for non-cash items:				
Depreciation and impairment of tangible fixed assets	5,469	5,485	5,469	5,485
Depreciation of other fixed assets	346	365	346	365
Decrease in trade and other debtors	659	32	649	32
Increase/(Decrease) in trade and other creditors	149	(1,138)	151	(1,084)
Decrease/(Increase) in properties held for sale	(1,025)	2,144	(1,025)	2,144
Tax paid	20	11	20	11
Increase in other provisions	-	701	-	701
Pension costs less contributions payable	231	(338)	231	(338)
Movement in fair value of investment properties	(99)	(466)	(99)	(466)
Adjustments for investing or financing activities:				
Net gain on sale of fixed assets	(662)	(937)	(662)	(937)
Government grants utilised in the year	(142)	(140)	(142)	(140)
Interest payable	5,261	7,109	5,261	7,109
Interest receivable	(1,428)	(276)	(1,428)	(276)
Net cash generated from operating activities	14,170	13,768	14,182	13,841

Analysis of change in net debt - GROUP

	1 st April 2023 £'000s	Cash flows £'000s	Other non-cash movements £'000s	31 March 2024 £'000s
Cash	13,211	15,924	-	29,135
Bank loans due less than one year	-	-	-	-
Bank loans due greater than one year	(88,485)	(20,000)	83	(108,402)
Total	(75,274)	(4,076)	83	(79,267)

Analysis of change in net debt - TRUST

	1 st April 2023 £'000s	Cash flows £'000s	Other non-cash movements £'000s	31 March 2024 £'000s
Cash	13,208	15,910	-	29,118
Bank loans due less than one year	-	-	-	-
Bank loans due greater than one year	(88,485)	(20,000)	83	(108,402)
Total	(75,277)	4,090	83	(79,284)

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

31. CAPITAL COMMITMENTS

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Expenditure contracted for but not provided for in the accounts	30,799	11,985	24,270	11,985
Expenditure authorised by the Board, but not contracted	23,521	33,722	16,701	33,722
	54,320	45,707	40,971	45,707

The above commitments will be financed primarily through existing cash surpluses (£29.1m). The Trust also has in place a £30m revolving credit facility with Barclays Bank. Social housing grant (£3.8m) and income from future property sales (£4.8m) is expected over the next 3 years.

32. CONTINGENT ASSETS / LIABILITIES

At 31st March 2024, The Trust has no contingent assets (March 2023: nil).

The Trust receives capital grant from Homes England (and its predecessor bodies), which is used to fund the acquisition and development of housing properties and their components. In certain circumstances, upon disposal of grant funded properties, the Trust is required to recycle this grant by crediting the Recycled Capital Grant Fund.

At 31 March 2024, the Trust had not disposed of any components that had received grant funding. As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

The Trust had no other contingent liabilities to disclose at 31 March 2024 (2023: nil).

33. LEASING COMMITMENTS

The future minimum lease payments of leases are as set out below. Leases relate to office equipment and vehicle leasing.

Future minimum operating lease payments

	GROUP		TRUST	
	31 March 2024 £'000s	31 March 2023 £'000s	31 March 2024 £'000s	31 March 2023 £'000s
Within one year	104	4	104	4
Between one and five years	8	-	8	-
	112	4	112	4

34. RELATED PARTIES

Disclosures in relation to key management personnel are included in note 10.

Transactions with non-regulated entities

The Trust provides management services to its subsidiary. The intercompany transactions are set out below.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

34. RELATED PARTIES (continued)

	Management Charges		Design and build charges	
	31 March 2024 £'000s	31 March 2023 £'000s	31 March 2024 £'000s	31 March 2023 £'000s
Payable to Trust by subsidiaries				
Peaks & Plains Devco Ltd	12	3		-
Payable by Trust to subsidiaries				
Peaks & Plains Devco Ltd	-	-	2,516	692

35. FINANCIAL ASSETS AND LIABILITIES

The board policy on financial instruments is explained in the Board Report as are references to financial risks.

Categories of financial assets and liabilities

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Financial assets measured at amortised cost				
Cash	29,135	13,211	29,118	13,208
Debtors	1,720	1,477	1,718	1,477
	30,855	14,688	30,836	14,685
Financial liabilities measured at amortised cost				
Loans	108,402	88,485	108,402	88,485
Creditors	5,770	5,099	5,474	5,264
Accruals	3,638	2,034	3,373	2,030
	117,806	95,618	117,245	95,779

The amortised cost of the financial liability is net of the amount at which the liability is measured at initial recognition plus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount.

Financial assets

Other than short-term debtors, financial assets held are cash deposits placed in 95-day notice business accounts, 65 day notice green business account, 60 day fixed term deposit accounts, 90 day fixed term deposit accounts and cash at bank. The remaining financial assets are floating rate, attracting interest at rates that vary with bank rates. They are Sterling denominated and the interest rate profile at 31 March 2024 was:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Financial assets held in 95 day notice accounts	125	120	125	120
Financial assets held in 65 day notice accounts	2,000	-	2,000	-
Financial assets held in bank account	7,010	5,091	6,993	5,088
Financial assets held in 90 day fixed term account	15,000	-	15,000	-
Financial assets held in 60 day fixed term account	5,000	8,000	5,000	8,000
	29,135	13,211	29,118	13,208

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024 (continued)

35. FINANCIAL ASSETS AND LIABILITIES

The financial assets held in 95 day notice accounts attract interest ranging from 4.30% to 4.57%. The balance of £125k has no fixed maturity. The £22m held in fixed term accounts is agreed at interest rates ranging between 5.18% and 5.25%. The remaining financial assets are floating rate, attracting interest at rates that vary with bank rates.

Financial liabilities excluding trade creditors – interest rate risk profile

The Trust's financial liabilities are Sterling denominated. The interest rate profile of the Trust's financial liabilities at 31 March 2024 was:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Fixed rate	97,500	77,500	97,500	77,500
Variable rate	10,000	10,000	10,000	10,000
	107,500	87,500	107,500	87,500

The fixed rate financial liabilities have a weighted average interest rate of 5.08% (2023: 6.47%) and the weighted average period for which it is fixed is 20 years (2023: 11 years).

The debt maturity profile is shown in note 26.

Borrowing facilities

The Trust has undrawn committed borrowing facilities. The facilities available at 31 March 2024 in respect of which all conditions precedent had been met were as follows:

	GROUP		TRUST	
	2024 £'000s	2023 £'000s	2024 £'000s	2023 £'000s
Expiring in less than 2 years	-	-	-	-
Expiring in more than two years	30,000	30,000	30,000	30,000
	30,000	30,000	30,000	30,000

A revised RCF facility for £30m was agreed in July 2022 and is undrawn at 31 March 2024.