REPORT AND FINANCIAL STATEMENTS

For year ended
31 March 2024

firstchoice
HOMES OLDHAM

Contents

Non-Executive Directors, Executives and Advisors

Board of Directors

Ged Lucas (Board Chair) – Retired 30 April 2023
Amanda Harris (Interim Board Chair) – Appointed 1 May 2023
Amanda Harris (Board Chair) – Appointed 27 October 2023
Ronnie Clawson (Chair of Audit and Risk Committee)
Hilda Kaponda (Chair of People and Governance Committee)
Emma Richman (Chair of Investment and Development Committee)
Mumtaz Ali – Retired 30 September 2023
Jean Mira
Ron Smith
Charles Dunn
Kal Akhtar – Appointed 24 January 2024
Simon Morris – Appointed 24 January 2024
Oliver Goldring – Appointed 20 March 2024
Margaret Goddard (Co-optee to Investment and Development Committee)
Sabihah Khalil (Trainee NED)

Executive Officers

Chief Executive Officer

Keith Wrate – Interim appointed 2 January 2023, resigned 30 April 2023
Delroy Beverley – Appointed 17 April 2023, resigned 9 August 2023
Anne McLoughlin – Appointed Acting CEO, 24 August 2023 and Interim CEO 13 September 2023.

Interim Assistant Chief Executive – Homes, Neighbourhoods and Development

Anne McLoughlin – Appointed 12 June 2023 (resigned and became Acting Chief Executive Officer from 24 August 2023)

Executive Director of Corporate Services

Andy Ewart **–** (previously Assistant Chief Executive – Business Services)

Executive Director of Homes

Steve Mather **–** Appointed 1 December 2023 (previously Director of Assets and sustainability)**,** resigned 3 May 2024
Steve Agger, Interim appointed 22 April 2024

Executive Director – Customer Experience

Kelly Webb **–** Appointed 1 December 2023 (previously Director of Customer Services), resigned 18 August 2024

Customer Experience Consultant

Paul Knight - Appointed 19 August 2024

Group Company Secretary

Juliet Craven

Registered Office

First Place
22 Union Street
Oldham
OL1 1BE

Registered Number

Registered Co-operative and Community Benefit Society number 31138R

Registered by the Homes and Communities Agency number 4582

Bankers

Barclays Bank Limited
Merseyside and North Cheshire Team
11th Floor
20 Chapel Street
Liverpool
L3 9AG

Solicitors

Trowers and Hamlin
Heron House
Albert Square
Manchester
M2 5HD

Internal Auditors

BDO LLP
6th Floor
3 Hardman Street
Manchester
M3 3AT

External Auditor

Crowe U.K. LLP
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

A Welcome from our Chair of the Board

On behalf of the Board, I am delighted to present our 2023/24 Annual Financial Statements.

In October it was my privilege to take up the role of Board Chair, having been interim since May 2023.

Having been a First Choice Homes Oldham Board Member since 2018, including the role of Senior Independent Director, it is an honour to become Chair of this fantastic organisation and drive forward our mission to deliver homes we are proud of and improve lives.

We continue to work in unprecedented times and over the past 12 months our teams have risen to significant economic and operating challenges, working hard to innovate and improve how we deliver great services, great homes and great neighbourhoods and be a great company.

Our focus has been on boosting performance to ultimately deliver better results for our customers and we are proud of what we have achieved. In the last year alone, we've invested £28m improving our existing homes in Oldham and £51m building 124 much needed new homes, supported more than 200 customers into employment and helped local partners to secure c.£260k of external funding to encourage thriving communities.

Critically we've also retained our G1/V1 rating from the Regulator of Social Housing in our annual stability check, demonstrating we continue to meet the highest standards of governance and financial viability.

Looking ahead, our refreshed corporate plan – our Big Plan 2.0 – reflects the changing environment we operate in and will guide us through the period 2024-2026. It will enable us to move forward, responding to the economic climate and regulatory changes whilst embracing the opportunities to invigorate our customer focus.

Customers are at the heart of what we do, and our Big Plan 2.0 will ensure we keep improving what and how we deliver for our customers and our organisation and help us to achieve our strategic objectives.

Amanda Harris

FCHO Board Chair Amanda Harris

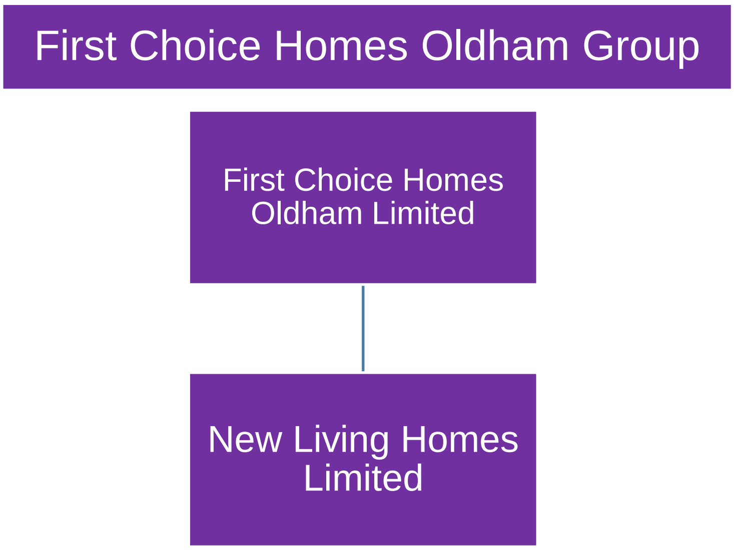
Strategic Report

First Choice Homes Oldham's (FCHO's) Group Structure

The objective of FCHO's governance structure is to remain simple and provide a clear line of sight from the Board to FCHO's active subsidiary, New Living Homes Limited (NLH). The Subsidiary Board members are drawn from group Board. This approach provides the best overview of risks and ensures that the activities carried out by the subsidiary supports FCHO's corporate objectives.

The group is known as FCHO and consists of:

- First Choice Homes Oldham Limited – the asset holding Housing Association and is the group parent. It is a registered co-operative and Community Benefit Society and Registered Provider of Social Housing with the Regulator of Social Housing (RSH).
- New Living Homes Limited – A wholly owned company limited by shares. NLH became active October 2016, and provides development services, delivering development contracts to FCHO.



FCHO provides homes for general needs social rent, affordable rent and low-cost home ownership throughout Oldham and the surrounding areas. FCHO also provides an in-house repairs and maintenance service to customers, alongside a comprehensive investment programme with the use of specialist contractors. The income received from rents supports this investment in existing properties as well as supporting the interest payments on loans which are financing the delivery of new homes within Oldham and surrounding areas.

Regulation

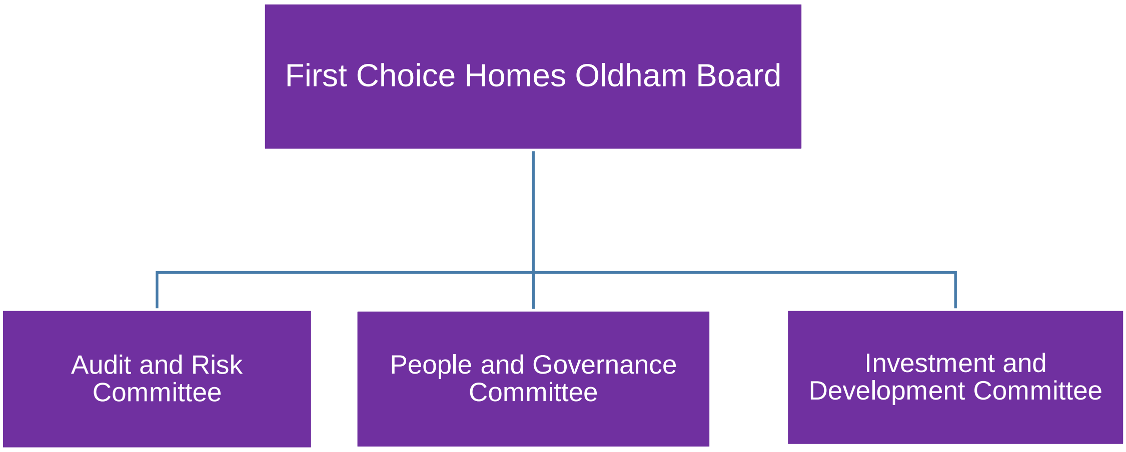
FCHO is regulated by the RSH and maintains the highest grades available for financial viability (V1) and governance (G1).

Board and Committee Structure

FCHO Board and sub-committees are crucial to setting the strategic direction of the organisation and monitoring performance. Board and Committee membership is based on skills and knowledge. In line with adopted National Housing Federation Model Rules, Board reviews annually its effectiveness and skills as a group. The Standing Orders include the Terms of Reference for Board and committees that outline the roles and responsibilities of each.

Customer Voice

The customer voice is heard at Board and Committees, with one resident Board member who can provide first hand personal experience of FCHO homes and services. FCHO also has a Customer Voice Panel (CVP) with regular attendance of over 180 members of a diverse representation, both informally and formally, providing further first-hand feedback and views to be considered in decision making.



Our BIG Plan 2024 – 2026

During the year we have refreshed our Corporate Plan, with our Big Plan 2024-26. The key pillars of the previous 2022-25 Corporate Plan remain relevant and are supported within the organisation and by the Board. The refresh of the Big Plan 2024-26 allows for the impact of a changing external landscape to be considered and challenges that this presents to be met.

Our Corporate Plan has been developed in a period of significant challenge for the sector and our customers. There remains global uncertainty with conflict continuing in mainland Europe and the Middle East, both of which could impact the prevailing economic conditions within the UK throughout the life of the Plan.

Our organisation is in a financially strong and stable position, but in common with the sector and wider economy, our financial capacity has been constrained by inflationary pressures in our cost base throughout 2023/24. Further pressures are being felt as a result of increased legislation and Regulatory Standards as we continue to maintain the condition of our homes. The impact of Climate Change and the policies to address this, will also have long lasting investment implications for the sector and beyond.

In a post pandemic world, customer expectations and demand patterns have changed which have required new ways of thinking to respond. The publishing of the Better Social Housing Review encouraged all Registered Providers to refocus on their ‘core purpose and deliver against it’. In addition, the Regulator of Social Housing (RSH) has called for Social Housing providers to focus on providing safe, well-maintained homes for their customers, alongside building more homes for those in need. The Big Plan aims to meet these challenges.

The power of our customers has been strengthened further following the introduction of the Social Housing Regulation Bill, which became law in July 2023. The new powers will provide measures to enhance consumer regulation, providing customers with much greater strength to hold Social Housing providers to account. Our customers are at the heart of everything that we do and we will continue to work alongside them to meet these challenges.

Our vision

Providing quality homes, fostering pride, and enhancing lives in Oldham.

Our Mission

Homes we are proud of

Providing homes we are proud of sits at the heart of everything we do and want to be. It drives our decisions and our actions.

We aim to be proud of every home we own and build.

To help us achieve this ambition, we need to ensure that we are proud of every call we take, every repair we carry out, every investment we make and every transaction or process we implement. We aspire to ensure that every person working for FCHO is charged with finding ways to take pride in the work they do, so that collectively we can reach our goals.

Improving lives

Our commitment to improving lives is what makes us more than just a landlord.

Improving lives is all about working with our customers to support them to maximise their potential, underpinned by living in a safe and comfortable home, in a neighbourhood that provides what they want from their local environment.

Our purpose

We are Oldham's leading housing association committed to strengthening communities, enhancing lives, building, and maintaining sustainable homes where they are most needed.

FCHO is community-based, proud of its deep roots in Oldham and ambitious for a future for Oldham that benefits from those strong foundations.

FCHO is a provider of high-quality homes, for those who are homeless or in housing need, while actively contributing to the well-being of our communities. We are committed to transparency, accountability and active engagement with our staff and customers, as we strive to be a dependable developer of new environmentally sustainable homes. This is underpinned by a commitment to retaining our corporate and financial strength.

About our values

Our values describe the way we do things. They underpin our culture and behaviours.

Our Values spell out 'LOCALS' and that connects us back to our communities and our grass roots. When we are a truly values-led organisation, we will do better, achieve more and maximise our potential.

We Listen | We Own | We Care | We Act | We Learn | We Keep it Simple.

We have devised a framework which sets out the standard for the behaviours that are required of colleagues at every level in the organisation.

We want our culture to be inclusive and that means making it easy for our customers to engage with us; making it easy for our partners and stakeholders to work with us; and making it easy for our colleagues to be their best and authentic selves every day.

Where we are now and where we want to be in the next two years

Our tenants are at the heart of everything we do. Around 10% of the population in Oldham lives in an FCHO home and we deliver significant social value as a local business and employer. We want to understand better our role in building strength and resilience in our communities so that we ensure we are making the best use of our resources.

We are more than just a landlord providing employment, financial inclusion and services that enhance communities and help our tenants to remain independent. We know these services are highly valued by the individuals that we support, we also believe in continuous improvement and will review our offer over the life of the plan.

We are inspired by our tenants and have extensive opportunities for involvement and shaping services. We welcome the changes to the regulatory environment that strengthen the emphasis on the tenants' voice, and we will ensure that we meet and exceed the requirements of the new standards.

We believe that we are a strong local partner though we want to do more to measure that and to understand market perceptions so that we can maximise opportunities which could include growth.

We are financially strong and well governed and maintain this through regular governance effectiveness reviews and stress tests of our finances for a range of scenarios. These are underpinned by costed plans to maintain and improve our homes over the long term and meet carbon reduction targets. We have built up a strong reputation for building new homes over the last few years. We will build on this through an enhanced land led approach that puts the needs of Oldham communities first whilst considering the environmental impact. There is capacity to maximise the value of our existing assets which we will plan for over the next two years.

Though there have been some unplanned changes at the CEO level over the last few years, the strength of FCHO is in its people from the Board to Directors, managers and a brilliant staff group. That said the change in leadership has had an impact on the plans to strengthen the organisational culture. Through the life of this Plan, we will reenergise that work to maximise staff engagement through strengthening consistency and encouraging resilience. This will be underpinned by a refreshed approach to Equality, Diversity, Inclusion and Belonging.

FCHO has some distance to travel to exploit all the opportunities of information technology. Positively this means that there is scope for FCHO to learn from others who have already made that journey. We aim to secure best in class solutions to become digitally enabled. With the right technology to support our teams and our customers we will reach our objectives more efficiently and deliver a much better customer experience.

The Enablers behind our Big Plan

To deliver the big plan we have a range of support systems that enable the organisation to achieve its goals.

1. People and Culture

Achieving our organisational goals relies on having the right people, doing the right things at the right time in the right way. We aim to attract and retain colleagues who align with our values and aspirations, and we will provide support, encouragement, and development to maximise their effectiveness and unlock their discretionary effort. Our agile organisational design will enable positive responses to a continuously changing operating environment. Our values will be embedded to ensure we have the desired culture that is demonstrated in the decisions we make.

2. Strong Governance

Our governance is strong and we will maintain that through continuous improvement. We will continue to deliver against all our legal and statutory responsibilities through effective risk and assurance frameworks and strengthening the risk culture of the organisation. We will ensure that we maintain our G1 Governance rating with our Regulator.

3. Financial Viability and Value for Money (VfM)

Our financial viability will ensure that we have sufficient liquidity and financial strength to enable us to continue to invest in new and existing homes along with the provision of valued services to our customers. Our strong financial viability will allow us to respond to our changing operating environment, including carbon reduction targets whilst continuing to deliver for our customers, colleagues and wider stakeholders. We will further build on our strong financial position by ensuring that every pound we spend adds value to support the achievement of FCHO's purpose. Our VfM Strategy is focused on delivering tangible benefits, whether that be getting the right inputs at the right cost (economy), getting the most of our inputs (efficiency) and delivering expected results (effectiveness).

4. Data and Technology

Our technology will play a pivotal role in delivering great service and customer experience. Our Colleagues will benefit from enhanced technology which will make their roles more effective, delivering consistently high levels of customer service. Our use of technology will increase our environmental sustainability in our operations and customers' homes. Our data will support efficient and effective decision making, improving the homes and services that we supply to our customers.

5. Communications

The importance of communications to advance our plans is critical. It connects the whole organisation and fosters a sense of unity and shared purpose. It helps with the dissemination of information and coordination of tasks. We will promote communications that pave the way for a healthy organisational culture that generates a sense of belonging.

6. Partnerships

We will develop sustainable and value adding partnerships across all areas of our organisation, based on a culture of mutual trust and collaboration. We will work to better understand our mutual needs and leverage the scale and reach of our partnerships for the benefit of our customers.

7. Modernisation

We will embrace a step change in our approach to modern working practices with the start of an organisational modernisation programme. This transformational change will further build on our current offer to our customers, providing us with enhanced customer insight along with supporting our Value for Money Strategy.

Our Strategic Priorities

Great Services

Through understanding and collaborating with our customers, we aim to deliver services that respond to their needs.

By 2026 we will...

- Develop a stronger understanding of current and future customer and community needs by retaining customer involvement at the core of our operations. We will strengthen the connection between customer influence and decision making.
- Support customers to optimise their financial standing, with income maximisation and opportunities for employment, while promoting and supporting independent living.
- Allocate resources using customer insight and utilise customer mapping to influence through targeted communications.
- Drive digital accessibility and user-friendly experiences by providing a wide range of self-service options for customers, advancing digital transformation, and ensuring systems are designed with user experience and efficiency in mind.
- Take action to ensure fair access to services and equitable outcomes for customers, providing staff with comprehensive training to recognise and respond to the diverse needs of customers in line with the Equality Act 2010.

Great Homes

We will provide high quality, safe, sustainable homes that meet housing need today and are fit for the future.

By 2026 we will...

- Deliver our Development Strategy and develop high quality, affordable homes that meet local need.
- Deliver our plans to improve the energy efficiency of our existing homes to achieve a minimum of EPC level C and to progress our Net Zero aspirations.
- Ensure that our homes meet all the statutory, legal, and regulatory property safety requirements.
- Continually assess our homes to ensure that they meet the FCHO Standard and are sustainable in the long-term.
- Maximise the performance of our assets to support investment in new and existing homes.

Great Neighbourhoods
We are ambitious about making our neighbourhoods and public realm great places to live.

By 2026 we will...

- Collaborate with partners to reduce anti-social behaviour in our neighbourhoods to enhance customer safety and well-being, considering the diverse needs of customers to eliminate barriers to reporting.
- Foster thriving and resilient communities through partnership working to deliver impactful outcomes that bring about positive changes for our customers.
- Enhance the environmental quality of our communities by collaborating with customers and relevant organisations to jointly contribute to the maintenance and safety of our neighbourhoods and shared spaces.

Great Company
Our ambition is to be an employer of choice where colleagues thrive and deliver the best services. Also that the company is run well in an open and transparent way that values innovation whilst maintaining strong corporate governance.

By 2026 we will...

- Embed our Values and Behaviours through our People Strategy, our Behavioural Framework will be a key consideration in all our decision making.
- Be an employer of choice, creating an environment that attracts and retains talent.
- Develop and embed a Stakeholder engagement strategy as we seek to develop mutually beneficial relationships with key partners.
- Maintain the highest levels of Governance, Maintaining our G1 Rating with the Regulator of Social Housing.
- Be Financially Strong and stable, operating within our Board Approved Financial Golden Rules supported by a robust risk management framework that promotes a strong risk management culture throughout the organisation.
- Communicate organisational priorities to customers and stakeholders, developing and maintaining a positive reputation in the areas where we operate.
- Set clear expectations and standards in relation to knowledge and information management and develop a culture where staff have clarity about their roles and responsibilities (both individual and collective) and the expectations of the organisation.
- Develop organisational key data recording standard requirements that will ensure good records that support the business and demonstrate compliance with national standards.
- Review existing systems/databases for capability and capacity to record key data requirements. Ensuring data can be easily extracted and used for insight purposes.
- Foster a culture that embraces diversity and inclusion, strengthening EDI engagement across the workforce through training, recognition, and communication.

2023/2024 Summary

During 2023/24 we have continued to work towards the goals of our Big Plan and over the past twelve months we have built on the foundations we set since 2022, and continued to find ways to increase the efficiency and quality of how we do things. Our focus has been on preparing the ground for the changes ahead to our systems and processes to ensure that they are more integrated and seamless, so we can be more agile and serve customers more directly.

Great Services
Listening to our customers has continued to be crucial to our work and help shape our services.

Through engagement activities and specialist panels such as the newly launched Tenancy and Neighbourhood Working Group and Customer Repairs Working Group, our 183-strong Customer Voice Panel has helped influence the services we deliver and bring about improvements for everyone who lives in an FCHO home.

As cost-of-living pressures have continued to affect residents across our borough, our dedicated teams have delivered more bespoke services to help local people to build financial resilience and increase employment prospects.

Supporting customers to reduce debt, maximise income and increase the amount of money in their pockets, we have delivered targeted work to customers who may be eligible for money to top up their pension and access other financial support. Colleagues also secured one off financial gains for customers amounting to c.£671K and helped those in greatest need to collectively save more than £230k through our partnership with The Bread and Butter Thing affordable food service.

Additionally, we supported 207 customers into employment and 592 local people attended personal and professional training to boost their employability for the future.

Great Homes

Our plans to build more affordable, energy efficient new homes, improve the energy efficiency of existing homes and tackle damp and mould-related problems made strides this year.

We invested £51m and built 124 new– a mix of houses and apartments for affordable rent, shared ownership and rent-to-buy for people who need them. Furthermore, 121 homes started on site, helping us keep up momentum on supply of much-needed new properties.

Investing in our existing homes, we spent £28m on a range of improvement projects including fire and building safety measures; maintaining and replacing roofs, windows, doors, kitchens and bathrooms; servicing, maintaining and replacing boilers; and electrical servicing and improvements.

We also stepped up our decarbonisation work to increase the number of FCHO homes rated EPC C (currently 62.17%) and above, helping customers to save energy and reduce their environmental impact.

We carried out retrofit assessments on 504 homes, helping us build a clearer picture of our homes' carbon performance, and are proud to have completed our first Social Housing Decarbonisation Fund (SHDF) project.

This saw c.200 properties benefit from green upgrades including solar panels, loft insulation and triple glazed windows and insulated doors to boost energy performance.

To strengthen satisfaction with how we address problems related to damp and mould and ensure we provide great homes, teams from across the business came together to develop a proactive approach to tackling damp and mould that addresses the root causes of these issues at the earliest opportunity.

Successful interventions include our 'eyes wide open' approach to identifying potential problems and resolving them as quickly as possible; and inspecting reports of damp and mould within ten days and developing appropriate action plans. We also have robust data on our homes gathered through stock condition surveys; and we are using a range of technologies to identify, monitor and mitigate against damp and mould-related issues in customers' homes to provide high quality places for our customers to live.

Helping to support this work, this year we successfully secured a £500k grant from the Social Housing Quality Fund (SHQF) and match-funded 24% of the awarded money, to carry out repairs and renovations in homes affected by damp and mould, to improve housing quality.

Great Neighbourhoods

Our teams have achieved impactful results across a number of areas in our neighbourhoods this year.

These include aligning our Community Legal Team's neighbourhood areas of responsibility with Oldham Metropolitan Borough Council and Greater Manchester Police's five place-based-areas. This has led to stronger collaborative and more effective working with our partners to help reduce anti-social behaviour in our neighbourhoods and ensure customers feel safe in their home and the areas where they live.

To encourage thriving communities, supporting community and voluntary groups with funding streams has continued to be a focus. We have awarded £33k in grants and donations from our Respect Our Community Awards (ROCA) and helped local partners secure c£260k of external funding across seven awards.

We have also used our resources to deliver environmental improvements across FCHO neighbourhoods, making them cleaner and greener places for our customers to live. We are proud that this year 71% of customers surveyed told us they were satisfied with the appearance of their neighbourhoods.

Contributing to this achievement, we continued to deliver our waste management action plan to tackle waste and fly tipping in our neighbourhoods; and expanded our natural meadows, wildflower plots and native flower spaces to cover 16,000m2. We have also worked with City of Trees to increase the number of trees and diversity of native species in our neighbourhoods; carried on working with our Neighbourhood Champions to gather feedback on services that take place around customers' homes; and recruited Customer Sustainability Champions to be part of work to reduce our environmental impact.

Great Company

In line with our ambitions to be a great company, this year we have reviewed our colleague rewards and benefits to ensure our teams feel valued and rewarded for the great contribution they make to our success.

Key developments include introducing pension salary exchange to help colleagues save more of the money they earn by reducing the National Insurance contributions they pay, along with the enhancement colleagues pension offer, offering up to 10% employer contributions.

During the year a pay review was conducted across the organisation resulting in a pay increase for 150+ colleagues to ensure pay remains competitive and aligned to market rate.

In addition, we have also partnered with a new colleague healthcare provider, Westfield Health to bring colleagues an improved range of benefits. Further enhancements are planned for our colleagues with the introduction of access to private health insurance that will go live in 2024/2025. These actions contribute to FCHO becoming a Great Company.

In other areas, we are proud to have retained our G1/V1 rating from the Regulator of Social Housing in our annual stability check, demonstrating we continue to meet the highest standards of governance and financial viability.

We have also retained Silver status with improved performance in our annual SHIFT assessment. This reviews our continuous work to reduce our environmental impact and futureproof our operation, homes and neighbourhoods, helping us meet the targets in our Sustainability Strategy and Big Plan.

The accolade recognises the great progress we have made over the past twelve months and its recommendations will help guide our work for the coming year.

Key Results

Turnover	Units Owned and Managed
£60.7 million	11,505
Customer Satisfaction	Gearing
84.2%	25.5%
New Units Developed	Income Collection
137	99.92%
Void Loss %	Reinvestment %
0.80%	21.0%

Gender Pay Gap Act 2010

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require relevant UK employers with 250 or more employees to publish information on their gender pay gap.

The FCHO Gender Pay Gap report confirms a positive median Gender Pay Gap of 1.6% and a mean Gender Pay Gap of 3.7% both of which reflect that females are slightly better rewarded than male counterparts in the organisation. (https://www.fcho.co.uk/about-us/company-information)

Value for Money (VFM)

FCHO's 30 Year Business Plan and objectives are reviewed annually. VFM is integral to achieving these objectives and FCHO regularly reviews its approach to VFM, ensuring that it is aligned to the FCHO VFM Strategy introduced in 2022. A proactive approach to identifying efficiencies and driving them through all parts of the organisation also forms a key part of the focus for the 2024-26 Corporate Plan. FCHO Board reviews and challenges VFM performance against the RSH VFM metrics for all providers along with a selected peer group. Peer group comparison occurs at the time of setting annual budgets and annual 30 Year Business Plan. Board also receives in year VFM information via Management Accounts at half year and full year to assess current performance against the selected peer group.

FCHO monitors its own trends in VFM performance as well as using RSH and Housing Quality Network financial benchmarking data to assess whether the financial performance can be considered to be above or below median of all providers and similar 'peer group' housing associations.

FCHO's performance against the RSH VFM metrics compares its prior year, original 2023/24 budget, current financial performance for 2023/24 and the future targets. FCHO's metrics are provided in the table below which compares its financial performance with the RSH 2022/23 Global Accounts for all housing providers and also housing providers within the North-West with total units greater than 10,000 but less than 15,000.

Our comparator organisations from RSH 2022/23 Global Accounts are:

Livv Housing Group	Magenta Living
One Manchester	One Vision Housing Limited
Plus Dane Housing Limited	Progress Housing Group Limited
Regenda Limited	Rochdale Boroughwide Housing Limited
Wythenshawe Community Housing Group.	

VFM Metric		FCHO Data 2022/23 Actual	2023/24 Budget	2023/24 Actual	2024/25 Budget	2025/26 Target	2026/27 Target	FCHO 2022/23 Performance v Median for Sector	FCHO 2022/23 Performance v Median for Peers
1	Reinvestment %	16.9%	18.4%	20.9%	13.3%	11.8%	10.3%	Higher 6.70%	Higher 7.5%
2A	New supply delivered % (Social Housing Units)	1.1%	1.5%	1.0%	1.6%	1.3%	0.9%	Lower 1.30%	Higher 1.0%
2B	New supply delivered % (Non-Social Housing Units)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing %*	13.6%	18.4%	25.3%	26.4%	29.0%	28.5%	Lower 45.30%	Lower 43.4%
4	EBITDA MRI %	104.0%	301.6%	242.7%	205.0%	228.0%	230.6%	Higher 128.4%	Higher 121.4%
5	Headline social housing cost per unit (£)	£4,242	£4,201	£4,346	£4,492	£4,369	£4,519	Lower £4,586	Lower £4,956
6A	Operating margin social housing lettings %	13.7%	20.9%	17.3%	23.3%	24.8%	24.9%	Lower 19.80%	Higher 15.1%
6B	Operating margin overall %	14.0%	19.8%	18.0%	20.6%	24.0%	24.9%	Lower 18.20%	Higher 9.3%
7	Return on capital employed %	4.0%	5.9%	4.3%	5.2%	5.0%	5.0%	Higher 2.80%	Higher 2.7%

Please note, the only sector wide comparison available is from the RSH 2022/23 VFM dataset and therefore do not include an additional year of inflationary cost increases when comparing to 2023/24 actual results.

Reinvestment metric considers investment in properties (existing stock as well as new supply) as a % of total properties held:

- Historic rates of reinvestment suggest high levels of re-investment in stock, the higher percentages are impacted to an extent by the historic low cost of properties held, particularly in comparison to the whole sector.

- The original budgeted figure for 2023/24 has been exceeded, largely as a result of development schemes being brought forward during the year which were well advanced and incurred greater expenditure when compared to the original budget.

- Current rates remain higher than all providers and comparator group for 2023/24 and higher than 2022/23 as a result of increased investment and development expenditure at £53.9m (2022/23 £35.8.m). Capitalised Investment works have reduced slightly in 2023/24 compared to 2022/23 (by c£1m), largely as a result of additional fire remediation costs which were over and above the original provision and predominately revenue spend.

- The outlook for 2024/25 onwards, shows lower levels of reinvestment which is largely driven from a lower anticipated future spend within the Development Programme based upon current projected pipeline of activity. The Programme is currently forecast deliver c210 new affordable homes over the next 3 years, resulting in a reduced expenditure per year in comparison to current levels of expenditure. For Investment, work continues across a number of programmes, with investment expenditure remaining at similar levels from 2023/24 until 2026/7. The combined budgeted expenditure for the development and investment programmes is c£39.5m for 2024/25. This figure includes £4.4m of initiatives part funded through the Social Housing Development Fund (SHDF). The business plan is continually updated and revised following the receipt of updated stock condition survey data, 96% of homes have been surveyed in past 3 years.

The New Supply metric considers the units acquired or developed in a year as a % existing stock:

- Historic new Supply figures have in recent years been increasing as the Development Programme has gained momentum. New Supply Delivered increased in 2022/23 (137 units) in comparison to 2021/22 (93 units).
- For 2023/24 124 units were delivered against an original target of 188 units, resulting in an adverse outturn in comparison to the original 2023/24 budget. The units delivered are a combination of affordable rent and shared ownership.
- The actual performance for 2023/24 is lower than all providers comparison but the same as FCHO peer group at 1.0%. New Supply Delivered was marginally lower in 2023/24 (124 units) in comparison to 2022/23 (137 units). This metric is forecast to improve in 2024/25 where 224 completions are anticipated.
- The budget for 2024/25 (224 units) is higher than 2023/24 actual performance (124 units), at 1.6%, as a result higher levels of activity on sites which are nearing completion for 2024/25.Current unit completions are forecast to reduce to 0.9% during 2026/27 (56 units).. Future forecasts are under active review, with the updated Corporate Plan 2024-26 seeking to exceed these targets subject to market conditions being suitable.

Gearing measures the proportion of borrowing in relation to the size of the asset base.

- In common with other stock transfer organisations, the focus in the earlier years post transfer has been on delivery of investment promises made at the point of transfer. As a result, there has been lower focus in prior years on development activity for which a loan facility would be required for FHCO. In addition, the development programme embarked upon in 2018 has not seen the scale that had originally been anticipated and therefore levels of borrowings have historically been lower than comparators.
- Against the original budget for this metric, the level of borrowing budgeted in year was higher by £19.5m to £37.5m (against a budget of £18m), resulting in a higher gearing level compared to the original budget. Additional borrowing has supported an in year acceleration of a number of development schemes. Total borrowing is now £70m.
- Gearing has increased during 2023/24 (25.3%), as further loans have been drawn down to support the Development Programme. Gearing is still targeted to remain in a healthy position going forward, anticipated at 28.5% by 2026/27, which will be lower than both the median for all providers and FCHO's peer group. Peak debt is not anticipated to occur until 2027/2028 and the group has sufficient charged and unencumbered properties available for further borrowing capacity to continue to support the delivery of the development and asset management programmes in future years, demonstrating a strong financial base.

EBITDA MRI measures financial performance before factoring financing cost, depreciation, or accounting policies on major repairs. (It is an approximation of cash generated to cover interest payments and is a key indicator for liquidity and investment capacity).

- Historical EBITDA MRI performance has traditionally been within the upper quartiles as a result of higher operating surpluses against low borrowings/interest costs. This was particularly evident in 2020/21, where the metric was unusually high at 490% as a result of lower investment expenditure than budgeted, as a result of reduced activity throughout the Covid-19 pandemic.
- The outturn for this metric has been lower than originally budgeted for 2023/24, largely as a result of the impact of higher operating costs including the additional fire remediation works, higher insurance and utility costs along with additional repairs and maintenance costs. Additional interest costs were also incurred due to a combination of higher interest rates and higher loan drawdowns throughout the year than originally anticipated.
- The current year metric is higher than both the median for all providers and FCHO comparator group. Work was completed during 2022/23 to ensure that EBITDA-MRI performance and projections improve in future years with an organisational wide efficiency programme implemented, targeting to deliver £1.7m savings. The majority of these savings have materialised and have been embedded into the 2023/24 budgets and Business Plan, improving operating surpluses and ensuring VFM within all investment works and other key areas of expenditure.
- EBITDA MRI is expected to marginally decrease in 2024/25 (205%), and then increase in 2025/26 (228%) and 2026/27 (230.6%), although borrowing increases, this is countered by lower future

anticipated borrowing costs. Although no funder covenants are linked to EBITDA-MRI, In May 2023, FCHO Board agreed the introduction of a Golden Rule for this metric to ensure that EBITDA-MRI remained in future focus.

Headline Social Housing Cost (HSHC) for 2023/24 has increased at £4,346 in comparison to 2022/23 (£4,242), this is predominantly due to increased expenditure on properties in relation to repairs, voids, and compliance works.

- HSHC have historically been lower as a result of lower management costs and lower capitalised major repairs which have both increased in recent years as a result of inflationary pressures alongside higher investment expenditure following improved stock condition data. 2020/21 was a recent outlier at £3,125, as a result of Covid-19 a number of investment and management activities could not take place within the year, which has been caught up in 2021/22 leading to a large increase from prior year. The additional year of inflation should also be considered when comparing the benchmarking data from 2022/23 against actual 2023/24 results.
- The impact of higher operating costs from utilities, insurance, repairs and maintenance (including damp and mould) and the one-off costs in relation to the additional fire remediation works has led to a marginal increase in costs per unit when compared to the original budget.
- HSHC is anticipated to be moderately higher for 2024/25 in comparison to 2023/24, at £4,492. Although the spend per unit is projected to be higher in 2024/25 compared to 2023/24, it is still below both the median for all providers and also for the selected peer group. The 2024/25 Investment programme continues to ensure FCHO meets its regulatory and strategic objectives, continuing to provide high quality, safe, sustainable homes for customers.
- Looking to future projections, the overall headline cost per unit is still anticipated to be lower in comparison to both the median for all providers and median of FCHO comparator group, with a moderate reduction in the metric expected in 25/26 to £4,369, increasing slightly to £4,519 in 26/27.

Operating Margin measures the profitability of operating assets before any interest and exceptional expenses are taken into account. (It is a key indicator for the efficiency of an organisation)

- Historic operating margins have ranged from an overall figure of 27% (2020/21) to 14% (2021/22), however both of these results have been impacted by two separate and significant events. In 2021/22 a significant provision to account for a further £2.1m investment in compliance works (Fire Risk Assessment Works), along with a significantly higher FRS102 Pension adjustment compared to 2020/21 where the impact of Covid-19 curtailed expenditure improving surpluses and Operating margins.
- Operating margins have been lower in 2023/24 when compared to original budget, largely as a result of higher operating costs as a result of higher utility, insurance, repairs and maintenance costs and the additional costs related to the fire remediation works.
- Operating margins overall were 18% in 2023/24, with an improvement in future years to 24% in 2025/26 and c25% in 2026/27, assisted by the impact of the 2024/25 rental increase which has reverted back in line with Government guidance (CPI+1% for 2024/25), future years of the Business Plan assumes CPI only. It should be noted that the business plan does not include FRS 102 pension adjustments (due to the unpredictable nature) which can have an impact on operating margins but has been included within the 2024/25 budget.

Return on Capital Employed compares the operating surplus to total assets less current liabilities. (It is a common measure in the commercial sector to assess the efficient investment of capital resources).

- FCHO has an existing VAT shelter which impacts this metric. FRS102 requires Registered Providers to state both a current debtor and long-term creditor for the full works shelter amount, regardless of the sharing agreement. This indicator includes the debtor but not the long-term creditor therefore, this needs to be considered when reviewing results.
- The result for 2023/24 is lower at 4.3% than original budget expectations of 5.9%, This is due to a fall in financial performance with a much lower operating margin, but a significant increase in FCHO's capital base, the outlook is for this to remain constant within a future range of between c5-5.2% and significantly above the median of all providers and peer group sample.

VFM Future Plans

FCHO's future areas of VFM aligned to the VFM Strategy:

- Annual Budget and Business Planning will identify any future cost savings and will include VFM efficiency targets. For 2023/24 onwards £1.7m pa savings targets have been included within the Budget and Business Plan, further work is planned in future to identify further savings through a mixture of:

  - Commencement of an externally appointed Customer Experience review, aligned to the Corporate Plan, which will offer insight into the economy, efficiency and effectiveness of operations.
  - Roll out of a Procurement Strategy to achieve VFM in all procurement.
  - Annual update and assessment of VFM strategy and benefits realisation.
  - The Savills Social Housing Asset Performance Evaluation (SHAPE) tool has been implemented and will focus throughout 2024/25 on driving the best value out of resources available via options appraisals.
  - Achieving Social Value on all contracts to drive additional value out of FCHO activities.
  - Focus on 'self-service'/ digital transformation offering customers choice in interactions.
  - VFM tracker to monitor benefits, for both financial and non-financial benefits.
  - Review of organisational recruitment, targeting c£100k+ reduction in recruitment fees for 2024/25.
  - Undertake further service reviews to ensure ongoing VFM is being delivered.
  - Complete on-going service charge review in order to maximise income collection.
  - Continue to explore further collaborations with key stakeholders such as Greater Manchester Combined Authority (GMCA) to deliver good quality Homes.

Risk and Assurance

The state of the economy and external environment, rising energy costs, costs of living, damp, mould and disrepair, and a declining housing market continue to be among the risks faced by FCHO. The Board and Executive Team continue to monitor the ongoing effects of all of them.

Steps are being taken on an ongoing basis, to minimise the impact on FCHO activities and the effect this may have on the organisation's residents and stakeholders.

Each risk within the Strategic Risk Register is regularly analysed and prioritised in terms of likelihood and severity and inherent risk. The Register identifies the existing controls and mitigations and further ones in development for each risk. Once mitigations are factored in, the score is re-calculated, and a residual risk score provided. The strategic risks are also linked with the performance framework through triggers that help give an early warning system of where remedial action may need to be taken. The Board, at their Away Day, 27 October 2024, reviewed their Risk Appetite Statement, in the light of the external environment and the most recent Sector Risk Profile report. The Strategic Risk Register has also been reviewed to reflect the changed Appetites as part of the regular review process, to ensure the Strategic Risks are still relevant for the organisation.

All risk and risk movements are reported quarterly to the Audit and Risk Committee for assessment and progress monitoring, and this is then presented to the Board for further challenge.

The Assurance Matrix, based on a three lines of defence model, is linked to internal audits and external scrutiny and is also updated quarterly. The Risk Management Policy was last reviewed and approved by the Board on 22 May 2024.

Operational Risk Registers are part of the overall Risk Management Framework and underpin the Key Strategic Risks for all key parts of the business Board. The Audit and Risk Committee also has sight of these at each of their meetings.

The key risks are detailed below along with lead Board or Committee and key mitigation and controls.

Risk	Mitigation and Controls
1. Customer Services Failure to deliver quality customer services that we are proud of, shaped by our diverse customer base and meet our Corporate Plan ambitions. **Board**	• RSH Consumer Standards Self Assessments • Customer service training • Tenant Satisfaction Measures
2. Strategic Asset Management Failure to implement an Active Asset Management approach resulting in low value for money, untapped social value and unsustainable / non-compliant assets. **Investment and Development Committee**	• Asset Management Strategy • Value for Money Strategy • 30 Year Business Plan • NROSH submissions • FCHO Standard • SHAPE model
3. Reputation Failure to actively manage our reputation leading to serious adverse publicity that leads to a breakdown in strategic relationships and/or regulatory sanction. **Board**	• Brand and reputation • Partnership matrix • Common Allocation Framework • Councillor and MP meetings • Corporate Plan • Nurturing stakeholder relations (RSH, OMBC, MPs) • GMHP membership, participation and representation • Effective Communications Team managing media relations
4. Development Failure to achieve sustainable Development Strategy growth ambitions that are on time and in budget. **Investment and Development Committee**	• Development Strategy • Homes England meetings • Financial Assumptions • Procurement frameworks • Quarterly watchlist and pipeline reported to IDC
5. Growth Failure to optimise appropriate opportunities for strategic growth that enhance FCHO's corporate ambitions. **Investment and Development Committee**	• Acquisitions and Disposals Strategy • Corporate Plan • Development Strategy • 30 Year Business Plan • Strategic Asset Management Group • Acquisition and Disposal Group • Major Project Risk model • Merger Policy • Quarterly watchlist and pipeline reported to IDC
6. Legal, Financial and Statutory Compliance Ineffective internal control framework leading to significant legal, financial or statutory consequences. **Board**	• Financial Regulations • Financial regulatory returns • Stability Checks • Annual External Audit • Internal Audits • GDPR Reporting
7. Regulatory Compliance Ineffective framework leading to significant regulatory consequences that result in regulatory investigation or threatens FCHO's G1/V1 or C status. **Board**	• Regulatory Returns • RSH Economic and Consumer Standards and Code of Governance Self Assessments • Annual Effectiveness Review and Skills Assessment • Self-assessment with compliance of the Housing Ombudsman's Complaint Handling Code 2024 • Complaints Annual Report

8. Health and Safety Compliance (asset / landlord / colleague) Failure to meet compliance responsibilities as a landlord or an employer that results in harm to people. **Board**	• Internal and External Inspections and Quality Assurance checks • Annual NICEIC, Gas Safety and Fire Safety inspections • Health and Safety Policy • Mandatory Health and Safety training • 100% CO Alarms compliant • Actions arising from the Building Safety Act completed, 3 building safety cases submitted to RSH
9. Colleague Engagement Failure to implement an appropriate framework to maximise retention of desired talent and skills together with the associated costs of attrition and impact on service delivery. **People and Governance Committee**	• Annual Colleague Conference • Leadership Development Programme • Behavioural Framework • People Strategy • Best Companies Survey • EDI Strategy and Action Plan finalised
10. Cyber Security Ineffective cyber resilience, impacting FCHO's ability to protect, detect, respond and recover from cyber incidents, resulting in legal, regulatory or service delivery detriment. **A&R**	• 24/7/365 management and monitoring • DR resilience • Mandatory Board and staff security training • Supplier Security training • DMARC improvements (email) • Penetration Testing • Phishing test exercises • Cyber Essentials Plus • Data loss prevention software • BCP
11. Data Insight Failure to maximise the power of insight through data to advance FCHO's corporate ambitions. **Board**	• Warning system Data Warehouse Power BI • Data reconciliations within Data Warehouse • Data testing and checks.
12. Financial Resilience (income / budgets / loan covenant headroom/ liquidity) Damage FCHO's potential to maximise income, drive efficiencies and create sufficient financial resilience. **Board**	• Annual stress testing, scenario planning and mitigations • Financial Regulations and Delegations Framework • Treasury Strategy and Policy • Annual unqualified external audit • 30 Year Business Plan • Annual Insurance
13. Environmental Sustainability Insufficiently prepared to fund legal and strategic requirements relating to the environmental sustainability of our stock and services that protects long term viability. **Investment and Development Committee**	• Sustainability Working Group • Sustainability, Development and Asset Management Strategies • SHIFT Silver Accreditation • 30 Year Business Plan

Financial Performance of the Year Ended March 2024

The financial performance for the past two financial years is presented below, the turnover for 2023/24 was £60.7m with an operating surplus of £12.8m. FCHO made a surplus for the year of £11.2m after taxation. This included a surplus from the sale of housing properties in 2024 of £1.8m (2023: £2.6m).

Total group operating costs were £49.8m (2023: £46.8m). There has been an increase in operating expenditure during the year, largely due to an increase in social lettings expenditure on properties. This includes increased expenditure on repairs linked to an increase in demand largely driven by damp and mould works alongside a range of wider customer contact activities and continue investment in compliance programmes.

The total expenditure on repairs and maintenance was £31.5m (2023: £30.5m). Of this amount, there was £11m (2023: £12m) relating to improvements which has been added to housing fixed assets with the remaining work expensed through the Income Statement.

Net turnover from lettings increased by £6m to £60.7m (2023: £54.3m) which is primarily due an increase in rental income of c7% on social lettings. During the year income collection results have remained strong, with collection rates at 99.9% versus a budget of 99.3%.

The table below also summarises FCHO's assets and liabilities. Development and investment within existing and new housing stock continues to increase the asset base of the organisation, providing further room for growth in future.

The accounting policies applied are shown on pages 38 to 44.

Consolidation	**2024 £'000**	**2023 £'000**
Income & expenditure account		
Turnover	60,701	54,302
Operating costs	(49,798)	(46,697)
Surplus on disposal of fixed assets	1,876	2,555
Operating surplus	12,779	10,160
Surplus for the year after taxation	11,209	8,163
Total comprehensive (loss)/income for year	10,622	25,812
Balance Sheet		
Housing properties net of depreciation	262,686	215,825
Other tangible assets	9,260	9,501
Net current assets	23,204	25,901
	295,150	251,227
Creditors due after one year	110,598	64,662
Provisions - Pension Liability & VAT Shelter	20,300	32,936
Revenue Reserve	164,252	153,630
	295,150	251,227
Operational indicators		
Total housing stock	11,505	11,426
Arrears of rent and service charges as a % of Rent Debit	2.41%	2.65%
Total loans due	70,000	32,500
Operating Margin	21%	19%

Pension Costs

FCHO has “admitted body” status to the Local Government Pension Scheme (LGPS) and contributes via the Greater Manchester Pension Scheme. The Scheme is a final salary pension scheme, FCHO contributes 23.9% of pensionable pay.

In October 2015 FCHO closed the LGPS scheme to new employees and all new employees are offered the option to remain in a defined contribution scheme following their auto enrolment.

Corporation Tax

FCHO has charitable status and therefore there is no estimated tax liability for the current year.

Capital Structure and Treasury Policy

To support the delivery of FCHO’s Treasury Management Policy and Strategy, a Treasury Management Policy and Strategy is reviewed annually, and this was approved by Board, 22 May 2024. FCHO’s Policy is to retain minimum cash whilst ensuring sufficient funds for the investment and development programmes are available. A process is in place to enable cash-flow forecasting and is used to continually monitor future borrowing requirements.

The borrowing strategy, which is approved annually by the Board, aims for between 60-80% of drawn funds to be fixed rate. This will reduce exposure to any future interest rate increases and create a degree of guarantee over future interest payments.

Loan Facilities

FCHO completed a restructuring exercise in May 2022 that allowed FCHO to refinance its expiring tranches and increase its overall loan facility to £95m. FCHO is currently solely funded by Abbey National Treasury Services plc (“Santander”) (a wholly owned subsidiary of Santander UK plc) with its original loan facility having been put in place at the time of the stock transfer from Oldham Council in 2011.

Cash Flow and Liquidity

The net cash inflow from operating activities before interest costs was £12.8m. Bank balances and short-term investments were £3.0m at the year end.

Covenant Compliance

Under the terms of the loan agreement the company must comply with three financial covenants, these being:

- Ratio of net cash flow to total interest.
- Gearing
- Asset cover i.e. the value of the stock compared to the outstanding loan.

Performance to 31 March 2024 showed that the company was compliant with all covenants

Going Concern

FCHO’s business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The assessment of the significant risks faced by FCHO, including significant risk exposures are considered in the preceding segments of this report. FCHO has demonstrated significant headroom within loan covenants, strong income collection rates, which has led to the Board’s judgement that FCHO has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. Value for Money savings implemented during 2022/23, which were embedded into the 2023/24 budget but also the Business Plan positively impact FCHO’s future VFM metrics, when compared against all providers and FCHO peer group. These results demonstrate FCHO remains financially viable.

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.

In concluding this view, the Board fully appraised the changing business environment facing FCHO, has considered the financial projections within the Business Plan, the results of stress testing of the Business Plan and assessed the strategic risks faced by FCHO and the means available to mitigate these risks.

Approval

This strategic report was approved by the Board of Directors on 11 September 2024.

Amanda Harris
Chair of the Board

The Report of the Board of Directors

The Board of Directors present their report and audited financial statements for the year ended 31 March 2024.

First Choice Homes Oldham Limited (FCHO)

FCHO ('the Organisation') is formed for the benefit of the community and is a not-for-profit housing association.

FCHO began trading as a Registered Provider on 7 February 2011 with 11,867 properties transferring from Oldham Metropolitan Borough Council (OMBC) on that date.

On 1 August 2014 the Co-operative and Community Benefit Societies Consolidation Bill was approved by Parliament and from this date FCHO is no longer governed by the Industrial and Provident Societies Act 1965 and is now registered as a Community Benefit Society (registration number 31138R) with charitable objectives under the Co-operative and Benefit Societies Act 2014. FCHO is regulated by the RSH. Registration number is 4582.

New Living Homes Limited (NLH)

On 20 October 2016, FCHO established a subsidiary organisation, New Living Homes Limited (NLH), NLH is a Limited Company, registered with Companies House. Company number 10438384.

NLH is responsible for the future development and build of FCHO's new home development programme. However, for VAT purposes the company stands outside of the VAT Group. NLH does not employ any staff or own any assets.

The Board of NLH is appointed by the FCHO Board and is made up of between three and five Directors excluding Co-optees and are made up of one Chairperson, three FCHO non-executive directors and two FCHO officers. NLHs' Directors are registered as Company Directors with Companies House. NLH met to consider official duties on two occasions in 2023/24.

First Choice Homes Limited

On 21 November 2019, FCHO established a subsidiary organisation, First Choice Homes Limited. First Choice Homes is a limited Company, registered with Companies House. Company number 12326286. First Choice Homes Limited is a dormant company, with two Directors (FCHO Officers). It is anticipated that First Choice Homes Limited will remain dormant.

The Board and Executive Officers

The Board and Executive Officers are listed on page 3. The Executive Officers are responsible for the day-to-day management of FCHO. The Executive Officers are employed on the same terms and conditions as staff members within FCHO.

The Board is made up of between eight and twelve Non-Executive Directors (including co-optees) as determined by the Board. Non-Executive Directors are recruited on a skills-based approach, and they have the appropriate range of skills, experience and qualities required to provide strategic direction and monitor FCHO's performance. They oversee the overall running of the company.

The Board met on six scheduled occasions during 2023/24. In addition, a two-day Board Away day was held 26/27 October 2023 and a range of development sessions were held.

Qualifying third party indemnity provisions

FCHO has qualifying third party indemnity insurance in place for Directors and Officers.

Corporate Governance

The Board is responsible for providing strategic direction, leadership, support and guidance to FCHO and monitoring the performance of the business against its Strategic Objectives, inclusive of the financial objectives. It approves short and medium-term plans, priorities and monitors the results from these plans.

The Board challenges and scrutinises key performance targets to drive continuous improvement.

Board Delegation

In order to operate effectively and ensure appropriate governance in business-critical areas the Board has delegated authority to three committees.

- Audit and Risk Committee – the Committee met to consider official duties on four occasions during 2023/24
- People and Governance Committee – the Committee met to consider its official duties on five occasions during 2023/24including additional meetings.
- Investment and Development Committee – the Committee met to consider its official duties on four occasions during 2023/24.

Audit and Risk Committee

The role of the Audit and Risk Committee is to ensure effective internal controls and risk management. This includes both internal and external audit activities of FCHO and in particular the duties, requirements and guidance set by the applicable regulator.

People and Governance Committee

The role of People and Governance Committee is to:

- Oversee the delivery of the People Strategy, that underpins the Corporate Plan, including attracting and maintaining colleagues and creating a positive work environment and culture where they can flourish and grow.
- Ensure that the Board fulfils its legal, ethical, and functional responsibilities through adequate governance arrangements, recruitment strategies, training programmes, monitoring of Board activities and the evaluation of Non-Executive Directors' performance.
- Ensure that remuneration arrangements support the strategic aims of the business.
- Ensure that the Chief Executive has the skills, competence, and capacity to deliver the overall strategy of FCHO its plans and proposals.

Investment and Development Committee

The role of the Investment and Development Committee is to provide strategic direction and leadership to ensure that FCHO's development and investment programmes deliver the outcomes and strategic objectives set by the FCHO Board. The Committee takes an overview of the organisation's development activity, monitors progress against the set targets of the programme and ensures support for the delivery of the Asset Management Strategy.

Donations

During the year FCHO has made charitable donations to the total of £91,576 (2022/23: £93,276) to various charities and community groups.

Policy on Payment of Creditors

It is the policy of the organisation to pay its creditors within 30 days.

Regulation 113(7) of the Public Contracts Regulations 2015 introduced the following publication requirements: After March 2016, all in-scope organisations must publish, on an annual basis and covering the previous 12 months, (i) the percentage of their invoices paid within 30-days, (ii) the amount of interest paid to suppliers due to late payment and (iii) the total amount of interest that the contracting authority was liable to pay due to late payment. The data for financial year ending 31 March 2023 is shown in the following table:

Financial Year 2023/2024	Proportion of valid and undisputed invoices paid within 30 days in accordance with Regulation 113	The amount of interest paid to suppliers due to a breach of the requirement in Regulation 113	The total amount of interest that the contracting authority was liable to pay (whether or not paid and whether under any statutory or other requirement), due to a breach of Regulation 113
FCHO	99.0%	£0	£996.77

Modern Slavery Act 2015

FCHO's turnover exceeds £36 million for that period, therefore under section 54(1) of the Modern Slavery Act 2015 FCHO has produced a Slavery and Human Trafficking Statement for the year ending 31 March 2023.

This statement sets out the steps that FCHO have taken in the 2023/2024 financial year to ensure there is no modern slavery (including human trafficking) in the business or supply chains.

It is approved by FCHO's Board and Executive Team and will continue to be reviewed and updated as necessary or on an annual basis.

Internal Control Assurance

The Board has overall responsibility for risk management within FCHO and acknowledges its role and responsibility for ensuring that the organisation has an effective system of internal control and for reviewing its on-going effectiveness.

The Risk Management and Internal Control Framework 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 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. FCHO has a number of arrangements in place that make up 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 and Risk Committee to regularly review its effectiveness. 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.

The Audit and Risk Committee received and considered reports from management on Risk Management and Control Arrangements at each meeting during the year and the Board discusses risk and the impact of the decisions that it takes at each meeting.

FCHO has a Strategic Planning and Risk Management Framework which incorporates the Corporate Plan, 30-year financial plan, Risk Management Framework and Assurance Matrix. The approach taken ensures a golden thread between Strategic and Financial Planning and Risk Management and integrates assurance which underpins FCHO's internal controls.

This ensures that each strategic objective and associated risks are clearly aligned and supported by FCHO's assurance framework. Assurance is taken from key elements of FCHO's Assurance Framework.

There are no identified risks to the systems of internal control and basic controls and governance arrangements are in place for all areas.

The Assurance Framework provides evidence to confirm that the appropriate systems are in place and that these are subject to the appropriate levels of scrutiny for those areas that could have a significant financial and reputational impact on FCHO.

Key elements of the Internal Control Framework include:

- A formally constituted Board and Committee structure supported by a Governing Framework. This includes Rules, Standing Orders, Scheme of Delegation and Terms of Reference. These detail the delegated authority for each of its committees that meet on a regular basis. There is also a Probity, Anti-Fraud and Bribery Policy and a Code of Conduct for Non-Executive Directors and Colleagues of the organisation.

- A comprehensive Non-Executive Director Appraisal programme and Governance Effectiveness Review is carried out with support from an external consultant, Altair. A comprehensive induction and training programme is in place to ensure Non-Executive Directors remain professionally updated and have the skills to meet the needs of the business. This is linked with a comprehensive Board and Committee annual appraisal process.
- The Senior Management Team has developed directorate specific Internal Control Statements that feed inro the overall Control Statement and provide another level of assurance on internal controls.

- All business activities are managed through a comprehensive set of policies and procedures that are subject to regular reviews.

- Robust strategic and financial business planning processes, including detailed financial budgets, forecasts, and cash-flows. The Management Accounts are reported to the Executive Team monthly and quarterly to the Board and Funders.

- A comprehensive approach to stress testing aligning to FCHO's Strategic Risk Register and assurance activities inclusive of the Assets and Liabilities Register. Stress testing is carried out on an annual basis and where there are key financial risks identified within the year. This is supported by a comprehensive recovery planning framework.
- From the internal audit work BDO carried out in 2023/24 there were 13 internal audits completed and these did not highlight any fundamental risks. Four had a Substantial Assurance level, nine moderate, no limited and one N/A for Design. Five had Substantial, five had moderate, Two had limited and one had N/A for Operational Effectiveness. The N/A for Design and Effectiveness was an Advisory.

- From 2022/23 by BDO LLP has provided Internal Audit services. An Annual Internal Audit Plan, based on key controls and risks is agreed, monitored, and reported to the Audit and Risk Committee. The Board received an annual report from BDO, which concluded that:
  - In our opinion, based on the reviews undertaken, the follow up review completed during the period, and in the context of materiality:
  - The risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements.
  - Based on our sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable assurance that the related risk management, control and governance objectives were achieved throughout the period under review.
  - This view is given with the exception of the Legionella and Tenancy Management audits where the opinion was Limited for the operational effectiveness of the control environment reviewed. In both instances a high priority finding was raised and we have subsequently confirmed that the agreed action has been implemented.
- No instances of actual or suspected fraud have been encountered during audit work.

- Board approved Whistleblowing Policy.

- Board approved Fraud and Anti-Money Laundering Policy.

A Fraud Register is in place and any incidents of fraud or attempted fraud are recorded and reported to the Audit and Risk Committee quarterly. During 2023/24, there were no instances of fraud reported;

A Whistleblowing Policy is in place and FCHO is committed to the highest standards of quality, probity, openness, and accountability. The Audit and Risk Committee receives a report quarterly and during 2022/23, there were twoi instances of whistleblowing.

Whilst not exhaustive, the above represents the key elements within the existing system of internal controls. The Assurance Framework is supported by the Risk Management framework, providing a full overview of the high-level risks facing FCHO, including all forms of assurances provided in relation to the risk, such as internal and external audit, performance monitoring and other external forms of accreditation. Key work continues in embedding an integrated risk management culture across FCHO.

In concluding its review, the Board is satisfied with the adequacy of these controls for the year ending 31 March 2024 and for the period to the date of signing the financial statements.

Compliance with the National Housing Federation Code of Governance

FCHO adopted the National Housing Federation's 2020 Code of Governance (the Code) with effect from 1 April 2022. The Board considers compliance against each of the provisions of the Code on an annual basis. Following this review on 22 May 2024, the Board was assured that FCHO is fully compliant with the Code. To enable continuous improvement, the Board has identified some enhancement actions which will further support compliance. The Review included an independent review of the approach to assessment of compliance by Alltair.

Compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standard

In August 2022 FCHO underwent an In-Depth Assessment (IDA) with the RSH. The IDA uses a risk-based approach to assess providers' financial strength, risk profile, approach to value for money and their quality of governance.

The RSH confirmed in December 2023 through its Stability Check that FCHO maintained its Governance rating of G1 and its Financial Viability Rating of V1.

FCHO's Board assesses its compliance against the RSH's Governance and Financial Viability Standard annually. FCHO has developed an assurance model (based on three lines of defence) which supports evidencing compliance with the Standard and supports the Codes of Practice (where applicable). The Board was assured that FCHO meets all the requirements of the Standard at the meeting held on 22 May 2024 and this was supported by an independent review of the approach to assessment of compliance by Altair.

FCHO has therefore achieved full compliance with the RSH's requirements of the Governance and Financial Viability Standard.

Statement of Director Responsibilities in respect of the Board Report and the Financial Statements

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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

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

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

The Board 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 2019. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Disclosure of information to auditor

The Board of Directors who held office at the date of approval of this Board of Director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Crowe LLP are FCHO's current external auditors. The Group Board appointed Crowe in November 2021 to provide FCHO's external audit service for a three-year contract period, with the option of an additional year commencing from the 2021/22 annual external audit.

The report of the Board of Directors was approved on 11 September 2024 and signed on its behalf by:

AHarris

Amanda Harris
Chair of the Board

Ronnie Clawson
Chair of Audit and Risk Committee

Juliet Craven
Company Secretary

Independent Auditor's Report to the Members of First Choice Homes Oldham Limited

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (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 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 24, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP, along with the Companies Act 2006 . We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and Parent Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group.

and Parent Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT
19th September 2024

Consolidated statement of comprehensive income

For the year ended 31 March 2024	Note:	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Turnover	2	60,701	54,302
Operating costs	2	(49,798)	(46,697)
Surplus on disposal of housing properties	2	1,876	2,555
Operating surplus		**12,779**	**10,160**
Interest receivable and similar income	7	957	83
Interest and financing costs	6	(2,527)	(2,081)
Surplus before taxation		**11,209**	**8,163**
Taxation on surplus	9	**-**	**-**
Surplus for the financial year after taxation		**11,209**	**8,163**
Other comprehensive income:			
Actuarial (losses)/gains on defined benefit pension scheme	12	(872)	17,649
Change in fair value of hedged financial instruments	26	285	-
Total comprehensive (loss)/income for year		**10,622**	**25,812**

The consolidated results relate wholly to continuing activities.

The accompanying notes on pages 38 to 69 form part of these financial statements.

Association statement of comprehensive income

For the year ended 31 March 2024	Note:	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Turnover	2	60,701	54,302
Operating costs	2	(49,789)	(46,685)
Surplus on disposal of housing properties	2	1,876	2,555
Operating surplus		**12,788**	**10,172**
Interest receivable and similar income	7	957	83
Interest and financing costs	6	(2,527)	(2,081)
Gift aid from subsidiary undertaking	9	251	155
Surplus before taxation		**11,469**	**8,329**
Taxation on surplus	9	**-**	**-**
Surplus for the financial year after taxation		**11,469**	**8,329**
Other comprehensive (loss)/income:			
Actuarial (losses)/gains on defined benefit pension scheme	12	(872)	17,649
Change in fair value of hedged financial instruments	26	285	-
Total comprehensive (loss)/income for year		**10,882**	**25,978**

The association's results relate to continuing operations.

The accompanying notes on pages 38 to 69 form part of these financial statements.

Consolidated and Association statement of financial position

For the year ended 31 March 2024

	Note:	2024 £'000 Group	2023 £'000 Group	2024 £'000 Association	2023 £'000 Association
Tangible Fixed assets					
Housing properties	13	262,686	215,825	264,346	217,013
Other fixed assets	14	9,260	9,501	9,260	9,501
		271,946	225,326	273,606	226,514
Current Assets					
Properties held for sale	15	6,393	1,352	6,393	1,352
Debtors - receivable within one year	16	18,873	20,570	19,093	20,772
Debtors - receivable after one year	16	10,280	20,398	10,280	20,398
Investments in short term deposits		-	100	-	100
Cash and cash equivalents		2,972	2,567	2,244	1,792
		38,518	44,988	38,010	44,414
Creditors: amounts falling due within one year	17	(15,314)	(19,086)	(15,271)	(18,765)
Net current assets		23,204	25,902	22,739	25,649
Total assets less current liabilities		295,150	251,228	296,345	252,163
Creditors: amounts falling due after more than one year	18	(110,598)	(64,662)	(110,598)	(64,662)
Provisions for liabilities and charges					
Other provisions	21	(20,300)	(32,936)	(20,300)	(32,936)
Pension liability	12	-	-	-	-
Total net assets		164,252	153,630	165,447	154,565
Capital and reserves					
Income and expenditure reserve		164,252	153,630	165,447	154,565
Total reserves		164,252	153,630	165,447	154,565

The financial statements were issued and approved by the Board of Directors on 11 September 2024 and were signed on its behalf by:

Amanda Harris

Chair

Ronnie Clawson
Chair of Audit and Risk Committee

Juliet Craven
Company Secretary

The accompanying notes on pages 38 to 69 form part of these financial statements.

Consolidated statement of changes in reserves

For the year ended 31 March 2024	Note:	Income and expenditure reserve £'000	Total £'000
Balance as April 2022		127,818	127,818
Surplus for the year		8,163	8,163
Other Comprehensive Income for the year			
Actuarial loss relating to defined benefit pension scheme	12	17,649	17,649
Balance as 31 March 2023		**153,630**	**153,630**
Surplus for the year		11,209	11,209
Other Comprehensive Income for the year:			
Actuarial gain relating to defined benefit pension scheme	12	(872)	(872)
Change in FV of cash flow hedge	26	285	285
Balance as 31 March 2024		**164,252**	**164,252**

Association statement of changes in reserves

For the year ended 31 March 2024	Note:	Income and expenditure reserve £'000	Total £'000
Balance as April 2022		128,587	128,587
Surplus for the year		8,329	8,329
Other Comprehensive Income for the year			
Actuarial gain relating to defined benefit pension scheme	12	17,649	17,649
Balance as 31 March 2023		**154,565**	**154,565**
Surplus for the year		11,469	11,469
Other Comprehensive Income for the year:			
Actuarial loss relating to defined benefit pension scheme	12	(872)	(872)
Change in FV of cash flow hedge	26	285	285
Balance as 31 March 2024		**165,447**	**165,447**

Consolidated statement of cash flows

Group

For the year ended 31 March 2024	**2024** **£'000**	**2023** **£'000**
Cash flows from operating activities		
Surplus for the financial year	11,209	8,163
Adjustments for:		
Interest payable and finance costs	2,527	2,082
Interest received	(957)	(83)
Depreciation on tangible fixed assets - housing properties	7,612	6,880
Depreciation on fixed assets - other	622	620
Amortised Grant & Other Grants	(312)	(277)
Difference between net pension expense and cash contribution	(872)	1,307
Surplus on the sale of fixed assets - housing properties	(1,876)	(2,555)
(Increase)/decrease in trade and other debtors	(824)	(1,197)
Properties for sale - stock	(5,041)	9
Increase/(decrease) in trade and other creditors	(3,771)	2,719
Fair Value hedge movements	285	-
Cash from operations	8,602	17,668
Taxation paid	-	-
Net cash generated from operating activities	8,602	17,668
Cash flows from investing activities		
Proceeds from sale of fixed assets - housing properties	2,225	3,408
Purchase of fixed assets - housing properties	(54,899)	(36,578)
Purchase of fixed assets - other	(381)	(326)
Cash and similar investments	-	-
Receipt of grant	8,771	9,219
Interest received	957	83
Net cash used in investing activities	(43,327)	(24,194)
Cash flows from financing activities		
Interest paid	(2,527)	(1,628)
Loan advances received	37,500	7,000
Loan refinancing costs	57	(335)
Repayment of loans - bank	-	-
Transfer from deposits	100	-
Net cash generated in financing activities	35,130	5,037
Net change in cash and cash equivalents	405	(1,489)
Cash and cash equivalents at beginning of the year	2,567	4,056
Net cash movement	405	(1,489)
Cash and cash equivalents at end of the year	**2,972**	**2,567**

Notes to the financial statements for the year ended 31 March 2024

Note 1: Legal status
The association (FCHO) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. The association is a Public Benefit Entity (PBE) and is incorporated in the United Kingdom.

FCHO has one subsidiary; New Living Homes Ltd a registered company under the Companies Act which develops new affordable housing for the group.

The Group's registered office is First Place, 22 Union Street, Oldham OL1 1BE.

Note 2: Accounting Policies
These financial statements of the group and association have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

- Financial instruments disclosures, including:
  - Categories of financial instruments;
  - Items of income and expenses gains or losses relating to financial instruments, and
  - Exposure to management of financial risks
- No statement of cash flows has been presented for the parent company.
- Disclosures in respect of the parent company's financial instruments have been presented as equivalent disclosures have been provided in respect of the group as a whole.

The financial statements are presented in sterling (£)

Going Concern
FCHO's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The assessment of the significant risks faced by FCHO, including significant risk exposures are considered in the preceding segments of this report. FCHO has demonstrated strong Value for Money Metrics, significant headroom within loan covenants, strong income collection rates, which led to the Board's judgement that FCHO has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. These results demonstrate FCHO remains financially viable.

After making enquires, 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.

In concluding this view, the Board fully appraised the changing business environment facing FCHO, has considered the financial projections within the Business Plan, the results of stress testing of the Business Plan and assessed the strategic risks faced by FCHO and the means available to mitigate these risks.

Significant judgements and estimates
The preparation of financial statements in compliance with FRS102 requires the Group management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimations means that actual outcomes could differ from those estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

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

1. Impairment - whether there are indications of impairment of FCHO's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets and where it is a component of a larger cash-generating unit, the viability

Note 2: Accounting Policies (continued)

and expected future performance of that unit. Based on our review it has been concluded that there were no impairment triggers in respect of the associations fixed assets housing properties.

2. Capitalisation of property development costs – the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties between current and fixed assets.

3. Classification of Loans – the group has reviewed the terms of the loan agreements in accordance with the requirements of FRS 102 which have been categorised as basic. In addition, the Association has one interest rate swap which has been assessed as non basic under the criteria of FRS 102, section 11.

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

1. Tangible fixed assets - are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing assets lives, factors such as product life cycles and maintenance programmes are considered (which may require more frequent replacement of key components). Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

2. Pension and other post-employment benefit - the critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense.

Basis of consolidation
The Consolidated Financial Statements includes FCHO Registered provider of social housing and its subsidiary New Living Homes Limited (together the Group). All intercompany transactions and balances between the group companies are eliminated in full on consolidation.

Turnover and revenue recognition
Income is measured at the fair value of the consideration received or receivable. The group generates the following material income streams:

- rental income receivable (after deducting lost rent from void properties available for letting)
- first tranche sales of Low-Cost Home Ownership
- service charge receivable
- proceeds from the sale of housing property.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from tranche sales is recognised at the point of legal completion of the sale.

Service charges
The group adopts the fixed 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 there is no allowance for the surplus or deficit being recovered from the previous years.

Current and deferred taxation
The Association has been granted exemption from taxation under the provision of Part 11 of the Corporation Tax Act 2010 because of its charitable status.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

Note 2: Accounting Policies (continued)

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

New Living Homes Limited makes profits which it intends to Gift aid to the association annually within 9 months of its year-end to eliminate any taxable profits.

Value Added Tax VAT
The group charges Value Added Tax (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. At the year-end VAT recoverable or payable is included in the statement of financial position.

Interest Payable
Interest costs associated with the financing of housing construction contracts are capitalised. The interest rate used is the average borrowing rate in the year and this rate is applied to the expenditure during the course of construction of the property, up to the date of property handover.

Other Interest Payable is charged to the Statement of Comprehensive Income in the year.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Leasing Commitments
Rentals paid under operating leases will be charged to the Statement of Comprehensive Income on an accrual's basis over the term of the lease.

Housing Properties Valuation
Housing properties are stated at cost, less accumulated depreciation, and impairment (where applicable). Housing Properties under construction are stated at cost and are not depreciated until they are completed and ready for use to ensure that they are depreciated only in the periods in which economic benefits are expected to be consumed. These are reclassified as housing properties on practical completion of construction. Costs includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period. Freehold land is not depreciated.

Associated professional fees and development staff costs are capitalised to the extent that those staff are working on development schemes.

Housing properties are split between the structure and the major components which require periodic replacement, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred. The housing stock's useful and economic life will be reassessed on an annual basis.

Gains and losses on disposal of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gains/loss on disposal of fixed assets in the Statement of Comprehensive Income.

Shared ownership properties and staircasing
Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed assets and included in housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal within surplus on sale of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in arriving at the surplus or deficit.

Notes to the financial statements for the year ended 31 March 2024

Note 2: Accounting Policies (continued)

Improvements to housing properties and depreciation
The group will capitalise repairs expenditure on housing properties which results in an enhancement of economic benefit of the asset. This includes:

- An increase in rental income
- A reduction in maintenance costs
- A significant extension of the life of the property

In line with the Statement of Recommended Practice (SORP 2018), the Group adopts component accounting, i.e., that where assets have two or more major components with substantially different lives, then the assets will be treated as separate components and depreciated over the different lives.

Housing Property Components are identified as and depreciated as follows:

Component	UEL (Years)
Roof	40
Window & Doors	30
Kitchen	20
Bathroom	30
Heating System	30
Communal	30
Environmental	30
Boiler	15
Electrical Wiring	30
Lift	15
Structure - existing properties	80
Structure - new build	100
Structural Works	30

The improvement works are capitalised at the end of the project. The depreciation will commence at the date of capitalisation and will be then calculated over the economic life of the improvements

Any costs that are capitalised under the Improvement Programme comprise all expenditure on doors, windows, roofs, kitchens, bathrooms and heating systems, including: fees, preliminary costs and any other associated costs, but excluding any loan interest payments. Environmental works are capitalised if they meet the value threshold, useful economic life (UEL) and can be directly attributable to a block or individual property.

All other expenditure incurred in respect of general repairs to its housing stock will be charged directly to the Statement of Comprehensive Income in the year in which it is incurred.

Impairment
The housing property portfolio for the group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified than a detailed assessment is undertaken to compare the carrying amount of assets or Cash Generating Units (CGUs) for which impairment is indicated to their recoverable amounts.

Note 2: Accounting Policies (continued)

An options 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. A detailed assessment is undertaken to compare the fair value less costs to sell to the Existing Use Value for Social Housing (EUV-SH). EUV-SH is used as the estimate of the recoverable amount of the property. If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a Depreciated Replacement Cost (DRC) for these assets.

The DRC will be based upon the lower of:

- the cost of constructing an equivalent asset on the same site together with the original land costs; or
- the cost of acquiring an equivalent asset on the open market.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where geographically sensible to group schemes into larger CGU's. Where housing properties have suffered a permanent diminution in value, the fall in value is recorded through a charge to the Statement of Comprehensive Income.

Social Housing Grant and other government grants

Where developments have been financed wholly or partly by Social Housing Grant (SHG) receivable from the Regulator of Social Housing and Local Authorities, the amount of the grant received has been included as deferred income and recognised in the Statement of Comprehensive Income over the estimated useful life of the associated asset structure and, where applicable, its individual components (excluding land) under the accruals model. When SHG received in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability. SHG received in respect of revenue expenditure is credited to the Statement of Comprehensive Income over the same period as the expenditure to which it relates once performance-related conditions have been met.

SHG is subordinated to the repayment of loans by agreement with the Regulator of Social Housing and Local Authorities. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund included in the Statement of Financial Position in creditors.

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

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover in the same period as the expenditure to which they relate.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the Regulator of Social Housing can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Note 2: Accounting Policies (continued)

Depreciation of other fixed assets
Other Fixed Assets are measured at historical cost less accumulated depreciation. Depreciation is charged evenly on a straight-line basis over the expected useful lives of the other fixed assets. No depreciation is provided on freehold land. Costs over £1,000 will be capitalised and depreciated as follows:

Other Fixed Assets	UEL (Years)
Office Premises	80
Plant & Machinery	3 - 7
Office & Computer Equipment	3 - 5
Furniture, Fixtures & Fittings	4
Vehicles	5
Community Assets	30
Lift	15

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

Stock
Stock represents work in progress relating to Shared Ownership properties. For Shared Ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at cost. Costs comprises of materials, direct labour, and direct development overheads. An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the Statement of Consolidated Income.

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

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Pension costs
Contributions to the group's defined contributions pension scheme are charged to within the income and expenditure account in the year in which they become payable. The cost of providing retirement pensions and related benefits are charged to management expenses over the periods benefitting from the employee's services. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the schemes liabilities measured on an actuarial basis using the projected unit method, are recognised separately from other net assets in the Group Statement of Financial Position as a pension scheme asset or liability (as appropriate). A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds form the plan and if neither applies to the Pension surplus, the present value will be adjusted to nil.

The Group also participates in a defined contribution scheme contributions payable under this scheme are charged in the Statement of Comprehensive Income in the period to which they are incurred.

Bad Debts and Write-Offs
Bad debts will be charged to the Statement of Comprehensive Income in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the balance sheet date.

Note 2: Accounting Policies (continued)

In respect of rental debtors' provision is made on the following basis:

(a) Current tenants at varying percentages dependant on value of the debt based on a bespoke calculation using the current tenant arrears.

(b) Former tenants at 100% of the debt.

In respect of other debtors' provision is made for specific debtor balances.

Provisions
Provisions are made to the extent that the group has no discretion to avoid the expenditure provided for. Provisions will be calculated in line with the guidance contained in FRS102.

Agreement to improve existing properties.
First Choice Homes have an approved VAT Shelter agreement for 15 years post stock transfer with Oldham Metropolitan Borough Council (OMBC) and as a result VAT incurred on the Regeneration Programme is fully recoverable, with a 50% proportion then repayable to the Council. Related assets and liabilities are shown at gross values.

Cash and cash equivalents
Cash and cash equivalents in the groups consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Financial instruments – classification as 'basic' or 'other'
Following the adoption of FRS102 in the preparation of these financial statements it was necessary to consider whether any of the group's financial instruments met the definition of 'other' as defined in section 11 of FRS 102. In particular it was necessary to consider the terms of the group's loan agreements and assess features such as how interest rates payable are determined, any lender optionality written into the agreements and any elements of the loan agreement that could substantially change due to conditions of the control of the group.'

Non-basic financial instruments include all derivatives such as swaps. They are recognised on the Statement of Financial Position and measured at fair value through profit or loss. This means that at the end of each period end the instrument is re-valued to fair value, with the movement to the Income Statement (unless hedge accounting is applied)

Notes to the financial statements for the year ended 31 March 2024

Note 2: Particulars of turnover, cost of sales, operating costs and operating surplus - Group

	Turnover 2024 £'000	Operating expenditure 2024 £'000	Operating Surplus 2024 £'000
Social housing lettings (note 3)	**56,679**	**(46,874)**	**9,805**
Other social housing activities			
Management fee	235	(117)	118
First tranche low cost home ownership sales	2,498	(2,125)	373
Development administration	-	(173)	(173)
Other	633	(314)	319
Total	**3,366**	**(2,729)**	**638**
Activities other than Social Housing			
Other	**656**	**(195)**	**461**
Total	**60,701**	**(49,798)**	**10,903**
Surplus on disposal of fixed assets			1,876
	60,701	(49,798)	12,779

	Turnover 2023 £'000	Operating expenditure 2023 £'000	Operating Surplus 2023 £'000
Social housing lettings (note 3)	**50,709**	**(43,745)**	**6,964**
Other social housing activities			
Management fee	165	(128)	37
First tranche low-cost home ownership sales	2,345	(2,083)	262
Development administration	-	(172)	(172)
Other	529	(305)	224
Total	**3,039**	**(2,688)**	**351**
Activities other than Social Housing			
Other	**554**	**(264)**	**290**
Total	**54,302**	**(46,697)**	**7,605**
Surplus on disposal of fixed assets			2,555
	54,302	(46,697)	10,160

Note 2: Particulars of turnover, cost of sales, operating costs, and operating surplus - Association

	Turnover 2024 £'000	Operating expenditure 2024 £'000	Operating Surplus 2024 £'000
Social housing lettings (note 3)	**56,679**	**(46,865)**	**9,814**
Other social housing activities			
Management fee	235	(117)	118
First tranche low-cost home ownership sales	2,498	(2,125)	373
Development administration	-	(173)	(173)
Other	633	(314)	319
Total	**3,366**	**(2,729)**	**637**
Activities other than Social Housing			
Other	656	(195)	461
Total	**60,701**	**(49,789)**	**10,912**
Surplus on disposal of fixed assets			1,876
	60,701	(49,789)	12,788

	Turnover 2023 £'000	Operating expenditure 2023 £'000	Operating Surplus 2023 £'000
Social housing lettings (note 3)	**50,709**	**(43,733)**	**6,976**
Other social housing activities			
Management fee	165	(128)	37
First tranche low cost home ownership sales	2,345	(2,083)	262
Development administration	-	(172)	(172)
Other	529	(305)	224
Total	**3,039**	**(2,688)**	**351**
Activities other than Social Housing			
Other	554	(264)	**290**
Total	**54,302**	**(46,685)**	**7,617**
Surplus on disposal of fixed assets			2,555
	54,302	(46,685)	10,172

Notes to the financial statements for the year ended 31 March 2024

Note 3: Particulars of income and expenditure from social housing lettings - Group

	2024			2023
	General Needs Housing	**Shared Ownership**	**Total**	Total
	£'000	**£'000**	**£'000**	£'000
Income from social housing lettings				
Rent receivable net of identifiable service charges	52,411	210	52,621	48,294
Service charge income	2,893	18	2,911	2,138
Amortised government grants	312	-	312	230
Other grants	835	-	835	47
Turnover from social housing lettings	56,451	228	56,679	50,709
Expenditure on social housing lettings				
Management	(13,388)	(3)	(13,391)	(13,720)
Service charge costs	(4,490)	(18)	(4,508)	(3,627)
Routine maintenance	(10,175)	-	(10,175)	(9,005)
Planned maintenance	(4,079)	-	(4,079)	(3,748)
Bad debts	(325)	-	(325)	(400)
Major repairs expenditure	(6,161)	-	(6,161)	(5,746)
Depreciation of housing properties	(8,235)	-	(8,235)	(7,499)
Other costs	-	-	-	-
Operating expenditure on social housing lettings	(46,853)	(21)	(46,874)	(43,745)
Operating Surplus on Social Housing Lettings	9,598	207	9,805	6,964
Void Losses	668	-	668	611

Note 3: Particulars of income and expenditure from social housing lettings - Association

	2024			2023
	General Needs Housing	**Shared Ownership**	**Total**	Total
	£'000	**£'000**	**£'000**	£'000
Income from social housing lettings				
Rent receivable net of identifiable service charges	52,411	210	52,621	48,294
Service charge income	2,893	18	2,911	2,138
Amortised government grants	312	-	312	230
Other grants	835	-	835	47
Turnover from social housing lettings	56,451	228	56,679	50,709
Expenditure on social housing lettings				
Management	(13,379)	(3)	(13,382)	(13,708)
Service charge costs	(4,490)	(18)	(4,508)	(3,627)
Routine maintenance	(10,175)	-	(10,175)	(9,005)
Planned maintenance	(4,079)	-	(4,079)	(3,748)
Bad debts	(325)	-	(325)	(400)
Major repairs expenditure	(6,161)	-	(6,161)	(5,746)
Depreciation of housing properties	(8,235)	-	(8,235)	(7,499)
Impairment Costs	-	-	-	-
Other Costs	-	-	-	-
Operating expenditure on social housing lettings	(46,844)	(21)	(46,865)	(43,733)
Operating Surplus on Social Housing Lettings	9,607	207	9,814	6,976
Void Losses	668	-	668	611

Note 4: Operating Surplus	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
The operating surplus is arrived at after charging:				
Tangible fixed assets depreciation and impairment:				
Housing stock	7,317	6,678	7,317	6,678
Accelerated depreciation on replaced components	295	202	295	202
Impairment of housing properties	-	-	-	-
Other fixed assets	622	620	622	620
Auditor's remuneration (excluding VAT):				
Fees payable for the audit of the parent and Group financial statements	39	37	30	29
Fees payable for other non audit services	6	8	4	4
Operating lease charges:				
Land and buildings	34	30	34	30
Other fixed assets	664	683	664	683

Note 5: Surplus on sale of fixed assets - housing properties	Shared Ownership	Other housing properties	Total	Total
Group and Association	**2024**	**2024**	**2024**	2023
	£'000	**£'000**	**£'000**	£'000
Disposal proceeds	-	2,225	2,225	3,408
Carrying value of fixed assets	-	(349)	(349)	(853)
	-	1,876	1,876	2,555
Recycled Capital Grant (note 20)	-	-	-	(224)
Total surplus on sale of fixed assets	-	1,876	1,876	2,331

Note 6: Interest payable and similar charges

Group and Association	**2024**	2023
	£'000	£'000
Bank loans and overdrafts	(3,228)	(1,818)
Other finance costs	(360)	(551)
Disposal Proceeds Fund & Recycled Capital Grant	-	(8)
Net interest on net defined benefit pension liability (note 12)	-	(454)
	(3,588)	(2,831)
Interest payable capitalised on housing properties under construction	1,061	750
	(2,527)	(2,081)
Capitalised rate used to determine the finance costs capitalised during the period	6.60%	7.08%

Note 7: Interest receivable and other income

Group and Association	**2023**	2022
	£'000	£'000
Interest receivable and similar income	158	83
Net interest on net defined benefit pension liability (note 12)	799	-
	957	83

The Net interest on net defined pension liability is shown under Interest receivable in 2023/2024 due to this being a net income figure.

There was a net cost in 2022/23 and this was presented under note 6 above.

Note 8: Units of housing stock

Group and Association	**2024**	2023
	No. of properties	No of properties
Social Housing	10,119	10,163
Affordable - General needs	1,159	1,102
Low cost home ownership	105	51
Intermediate rent	122	110
Total Owned	11,505	11,426
Units under construction	326	329

Note 9: Tax on surplus on ordinary activities

The Group will not incur a tax charge in the year as FCHO has been granted exemption from taxation under the provision of Part 11 of the Corporation Tax Act 2010 because of its charitable status.

The Association received a gift aid payment of £251k in the period ended 31 March 2024 (2023:£155k). New Living Homes Ltd intends to make a gift aid payment to FCHO within 9 months of the year end to eliminate any taxable profits.

Note 10a: Directors remuneration

	Group **2024** **£'000**	Group 2023 £'000	Association **2024** **£'000**	Association 2023 £'000
The aggregate emoluments paid to or receivable by non-executive directors and former non-executive directors excluding pension contributions	71	81	71	81
The aggregate emoluments paid to or receivable by executive directors and former executive directors excluding pension contributions	700	920	700	920
The emoluments paid to the highest paid director excluding pension contributions	115	122	115	122
The aggregate amount of directors or past directors pensions	70	75	70	75

Directors are defined as, Non-Executive Directors, Chief Executive, and the Executive Management Team. These are considered to be the key management personal of the association.

The Chief Executive is a member of the Association's Group Pension Scheme, the entitlement of the Chief Executive is identical to those of other members no enhanced or special terms apply.

Note 10: Directors remuneration continued

Board Members

	2024	2023	**Current Member of:**				
Board members	**£'000 Remuneration**	£'000 Remuneration	**Group Board**	**Audit & Risk Committee**	**People & Governance Committee**	**Investment & Development Committee**	**New Living Homes Board**
Board member							
Gerard Lucas	1	15	X				
Amanda Harris	14	7	X		X		
Hilda Kaponda	8	8	X	X	X		
Mumtaz Ali	3	6	X				
Ronald Smith	6	6	X		X	X	
Jean Mira	6	6	X	X	X		
Ronnie Clawson	8	8	X	X			
Emma Richman	8	8	X			X	X
Charlie Dunn	6	6	X			X	X
Margaret Goddard	3	3				X	X
Sabihah Khalil	5	5	X				
Kal Akhtar	1	-	X	X		X	
Simon Morris	1	-	X			X	X
Oliver Goldring	-	-	X	X	X		
Philip Pearson	-	2	X				
	71	81					

Note 11: Employee Information

The average number of persons employed during the year expressed as full time equivalents (calculated based on a standard working week of 37 hrs):

	Group	Group	Association	Association
	2024	2023	**2024**	2023
	No.	No.	**No.**	No.
Housing maintenance	132	139	132	139
Housing management	139	137	139	137
Support services	25	28	25	28
Development	10	9	10	9
Other services	71	71	71	71
	377	384	377	384

Staff costs (including Executive Management Team) consist of:

	Group	Group	Association	Association
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Wages and salaries	13,310	12,884	13,310	12,884
Social Security costs	1,321	1,354	1,321	1,354
Cost of defined benefit scheme	1,097	2,692	1,097	2,692
Cost of defined contribution scheme	804	646	804	646
	16,532	17,576	16,532	17,576

Employers & members contribution for the defined benefit scheme are shown in note 12.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000 upwards:

Group and Association	2024	2023
£60,000 - £69,999	13	13
£70,000 - £79,999	10	4
£80,000 - £89,999	-	2
£90,000 - £99,999	2	4
£100,000 - £109,999	1	-
£110,000 - £119,999	1	1
£120,000 - £129,999	1	1
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1

Note 12: Pension obligations

Two pension schemes are operated by the association.

a)Defined benefit pension scheme - (employees with a start date pre 1 September 2015)
The association participates as a contributing member of the Greater Manchester Fund (administered by Oldham MBC in accordance with the Local Government Pension Fund Regulations), which is a funded defined pension scheme where contributions payable are held in trust held separately from the company.

The financial assumptions underlying the last valuation are as follows:

Date of valuation	31 March 2024
Method of valuation	Projected Unit

The valuation was based on the following assumptions:

	31 March 2024		31 March 2023	
Rate of return on accumulated assets	4.85%	pa	4.75%	pa
Rate of salary increases	3.55%	pa	3.75%	pa
Rate of pension increases	2.75%	pa	2.95%	pa
Discount rate	4.85%	pa	4.75%	pa

Surpluses and deficits are spread over employees' future service lives and the pension charge recorded by the association during the accounting period was equal to the contributions payable.

Mortality

The average future life expectancies at age of 65 are summarised below:

	Males		Female	
Current Pensioners	19.3	yrs	22.8	yrs
Future Pensioners *	20.6	yrs	24.7	yrs

* Figure assumes members aged 45 as at the last formal valuation

	31 March 2024	31 March 2023
Split of Scheme Assets:	Distribution %	Distribution %
Equities	68%	68%
Bonds	15%	15%
Property	8%	9%
Cash	9%	8%
Total	**100%**	**100%**

Notes to the financial statements for the year ended 31 March 2024

Asset and Liability Reconciliation

Reconciliation of fair value of plan assets	**31 March 2024 £'000**	**31 March 2023 £'000**
At the beginning of the year	82,740	84,811
Interest income	3,928	2,336
Contributions by members	319	334
Contributions by the employer	1,170	1,385
Actuarial gains / (losses)	2,007	(843)
Other experience	-	(3,939)
Benefits paid	(1,573)	(1,344)
At the end of the year	**88,591**	**82,740**

Reconciliation of present value of plan		
At the beginning of the year	65,946	100,699
Current Service Cost	970	2,206
Interest Cost	3,129	2,790
Contributions by members	319	334
Changes in financial assumptions	(4,340)	(40,295)
Past service cost (including curtailments)	127	486
Changes in demographic assumptions	(415)	(1,117)
Other experience	1,987	2,187
Estimated benefits paid	(1,573)	(1,344)
At the end of the year	**66,150**	**65,946**
Net pension scheme asset/(liability)	**22,441**	**16,794**

Amounts recognised in Other Comprehensive Income are as follows:

Included in administrative expenses:		
Current service cost	970	2,206
Past service cost (including curtailments)	127	486
Total operating charge	**1,097**	**2,692**

Amounts (charged) / credited to other finance costs		
Interest income on plan assets	3,928	2,336
Interest on pension scheme liabilities	(3,129)	(2,790)
Net interest costs return	**799**	**(454)**

Analysis of actuarial (loss)/gain recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	2,007	(843)
Changes in demographic assumptions	415	1,117
Other experience	(1,987)	(6,126)
Changes in assumptions on present value of liabilities	4,340	40,295
Actuarial (loss)/gain in other comprehensive income	**4,775**	**34,443**

Actuarial (losses) / gains on defined benefit pension scheme	4,775	34,443
Reduction of asset to nil	(5,647)	(16,794)
	(872)	**17,649**

The valuation for 2024 shows an asset position so this has not been recognised in the Financial Statements.

The estimate the employer's contributions for the year to 31 March 2025 will be approximately £1.154m (2024 £1.226m).

b) Defined Contribution Scheme

A defined contribution pension scheme is operated by the association which commenced on the 1 October 2015 on behalf of those employees who started post 1 September 2015. The assets of the scheme are held separately from those of the association in an independently administered fund provided by Aviva. The pension charge represents contributions payable by the association to the fund and amounted to £803,906 (2023: £645,667). Contributions amounting to £58,725 (2023: £60,204) were payable to the fund as at 31 March 2024 and are included in creditors.

Note 13: Tangible fixed assets - Housing properties

Group

	Social housing properties held for lettings	Social housing properties under construction	Shared ownership completed	Shared ownership under construction	**Total Social housing properties**
	£'000	£'000	£'000	£'000	**£'000**
Cost					
At 1 April 2023	239,641	9,647	6,065	3,926	259,280
Replaced components	11,077	-	-	-	11,077
Interest capitalised	-	588	-	308	896
Additions - Development	-	27,047	-	15,760	42,807
Additions - Acquisitions	118	-	-	-	118
Completed schemes	16,082	(16,082)	10,284	(10,284)	-
Disposals - sales under RTB & RTA	(504)	-	-	-	(504)
Disposals - Staircasing sales	-	-	-	-	-
Disposals - replaced components	(295)	-	-	-	(295)
At 31 March 2024	266,119	21,200	16,349	9,710	313,378
Depreciation and impairment					
At 1 April 2023	43,351	-	103	-	43,454
Depreciation charge in year	7,605	-	83	-	7,688
Impairment accumulated depreciation	-	-	-	-	-
Disposals	(450)	-	-	-	(450)
At 31 March 2024	50,506	-	186	-	50,692
Net Book Value at 31 March 2024	215,613	21,200	16,163	9,710	262,686
Net Book Value at 31 March 2023	196,290	9,647	5,962	3,926	215,825

Note 13: Tangible fixed assets - Housing properties

Association

	Social housing properties held for lettings	Social housing properties under construction	Shared ownership completed	Shared ownership under construction	**Total Social housing properties**
	£'000	£'000	£'000	£'000	**£'000**
Cost					
At 1 April 2023	239,641	10,718	6,135	3,973	260,468
Replaced components	11,077	-	-	-	11,077
Interest capitalised	-	588	-	308	896
Additions - Development	-	27,356	-	15,923	43,279
Additions - Acquisitions	118	-	-	-	118
Schemes completed	16,082	(16,082)	10,284	(10,284)	-
Disposals - sales under RTB & RTA	(504)	-	-	-	(504)
Disposals - Staircasing sales	-	-	-	-	-
Disposals - replaced components	(295)	-	-	-	(295)
At 31 March 2024	266,119	22,580	16,419	9,920	315,039
Depreciation and impairment					
At 1 April 2023	43,352	-	103	-	43,455
Depreciation charge in year	7,605	-	83	-	7,688
Impairment charge in year	-	-	-	-	-
Disposals	(450)	-	-	-	(450)
At 31 March 2024	50,507	-	186	-	50,693
Net Book Value at 31 March 2024	215,612	22,580	16,233	9,920	264,346
Net Book Value at 31 March 2023	196,289	10,718	6,032	3,973	217,013

Note 13: Tangible fixed assets - Housing properties (continued)

The net book value of housing properties may be further analysed as:

	Group 2024 £'000	**Group 2023 £'000**	**Association 2024 £'000**	Association 2023 £'000
Freehold	244,104	198,568	245,764	199,756
Long leasehold	18,582	17,257	18,582	17,257
	262,686	215,825	264,346	217,013

Works to existing properties in the year:

	2024 £'000	2023 £'000
Components capitalised	11,077	12,016
Amounts charged to income and expenditure	6,161	5,746
	17,238	17,762

Total Social Housing Grant received or receivable to date is as follows:

	2024 £'000	2023 £'000
Social Housing Grant received	45,351	34,096
Social Housing Grant received and held in creditors as deferred income	269	2,260
Capital grant - Housing Properties	45,620	36,356
Recycled Capital Grant Fund	-	224
Total Housing Grant received	45,620	36,580

Finance costs

	2024 £'000	2023 £'000
Cumulative amount of finance costs included in the cost of housing properties	3,127	2,231

Impairment
In accordance with FRS 102 and SORP 2018 the housing properties have been reviewed where there are indications of any impairment. Following this review it was determined that no housing properties had incurred impairment during the year.

Note 14: Tangible fixed assets - Other assets

Group and Association

	Office buildings	Equipment	Vehicles	Fixtures & Fittings	Community Assets	Works in Progress	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost							
At 1 April 2023	9,446	5,449	48	-	103	165	15,211
Additions	-	-	-	-	-	381	381
Transfers	-	274	-	193	-	(467)	-
Disposals	-	-	-	-	-	-	-
At 31 March 2024	9,446	5,723	48	193	103	79	15,592
Depreciation							
At 1 April 2023	838	4,837	32	-	3	-	5,710
Charge in the year	112	452	10	45	3	-	622
Disposal	-	-	-	-	-	-	-
At 31 March 2024	950	5,289	41	45	7	-	6,332
Net Book Value at 31 March 2024	8,496	434	7	148	96	79	9,260
Net Book Value at 31 March 2023	8,608	612	17	-	100	165	9,501

The net book value of office buildings may be further analysed as:

	2024	2023
	£'000	£'000
Long leasehold	8,496	8,608
	8,496	8,608

Note 15: Properties for Sale

	2024	2023
Group and Association		
	£'000	£'000
Shared ownership properties:		
At 1st April 2023	1,352	1,360
Completed properties additions	3,595	931
Work in progress additions	3,494	1,068
Disposal	(2,048)	(2,007)
	6,393	1,352
Properties developed for outright sales	-	-
At 31st March 2024	6,393	1,352

Note 16: Debtors	Group	Group	Association	Association
	2024	2023	**2024**	2023
Due within one year	**£'000**	£'000	**£'000**	£'000
Rental and service charge arrears	2,586	3,062	2,586	3,062
Less: Provision for bad and doubtful debts	(983)	(940)	(983)	(940)
	1,603	2,122	1,603	2,122
Trade debtors	258	64	258	64
Amounts owed by group undertakings	-	-	232	217
Prepayments & accrued income	3,541	2,597	3,541	2,597
Social housing grant receivable	2,357	2,251	2,357	2,251
Other taxes and social security	300	534	288	519
Deposits on purchased schemes	93	-	93	-
Other debtors	10,721	13,002	10,721	13,002
Total due within one year	18,873	20,570	19,093	20,772
Due after more than one year				
Other debtors	9,995	20,398	9,995	20,398
Interest rate swaps - derivative assets	285		285	-
Total Due after more than one year	10,280	20,398	10,280	20,398
Total debtors	29,153	40,968	29,373	41,170

The interest rate swap figure of £285k relates to the fair value of the derivative as at 31st March 2024.

The other debtors due after more than one year represents £9.95m (£20.390m in 2023) obligation to have improvement work carried out to the properties transferred to FCHO net of £10.311m (£12.545m in 2023) budgeted to be spent in 2024-25 shown within other debtors due within one year. As part of the Stock Transfer Agreement, FCHO was obliged to carry out enhancement works to its housing stock valued at £229,792,273 excluding VAT. FCHO is contracted with Oldham Council to undertake this work over a 15 year period. Essentially the 'benefit' (commitment owed) to the Association under the contract has created a debtor which is effectively offset by the provision stated in note 21. The debtor will reduce as the Association completes the contracted work.

Note 17: Creditors - Amounts falling due within one year	Group	Group	Association	Association
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade creditors	3,622	2,860	3,508	2,075
Social housing grant in advances	269	2,260	269	2,260
Rent & service charges received in advance	3,337	3,120	3,337	3,120
Amounts owed to group undertakings	-	-	2,807	1,807
Other taxation and social security	319	315	319	315
Oldham MBC - RTB Clawback	977	1,241	977	1,241
Accruals and deferred income	4,009	8,100	2,881	7,456
Deferred capital grant (note 19)	377	284	377	284
Disposal proceeds fund (note 19)	2	2	2	2
Recycled capital grant fund (note 19)	3	3	3	3
Other creditors	2,399	901	791	202
	15,314	19,086	15,271	18,765

Note 18: Creditors - Amounts falling due after more than one year	Group	Group	Association	Association
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Loan and borrowings facility	69,531	31,974	69,531	31,974
Recycled Capital Grant (note 20)	-	229	-	229
Deferred Capital Grant	41,038	32,442	41,038	32,442
Other	29	17	29	17
	110,598	64,662	110,598	64,662

Analysis of maturity of debt - Group and Association

	2024	2023
	£'000	£'000
Housing loans repayable by instalments:		
In two years or more but less than five years	37,500	13,500
In five years or more	32,500	19,000
Total Loans	70,000	32,500

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

Terms of repayment and interest rates
There are currently four fixed loan amounts drawn down and a revolving credit facility (RCF's), the repayment dates and interest rates are as follows:

			Repayment date	Interest rate
Fix 1	-	£6.5m	31/12/2027	4.91%
Fix 2	-	£6.5m	29/03/2029	5.11%
Fix 3	-	£6.0m	31/03/2031	3.58%
Fix 4	-	£6.5m	31/03/2033	5.10%
RCF	-	£24.5m	31/05/2027	Sonia +1.1%
IRS	-	£20.0m	30/05/2032	3.62%

An interest rate swap for £20 million was transacted during the year. This agreement runs from the 19th December 2023 to the 30th May 2032.

Under the terms of the arrangement, FCHO will receive 3 month SONIA (Sterling Overnight Index Average) variable rate of interest and receive a fixed rate of 3.616%. For the year ended 31 March 2024 the impact of the movement in fair value of the derivative is £285k.

At 31 March 2024 the group had undrawn loan facilities of £25.0m (2023 - £62.5m)

Note 19: Deferred capital grant

Group and Association	Social Housing Grant	Other Government Grants	**Total Grant 2024 £'000**	Total Grant 2023 £'000
As at 1 April 2023	29,232	3,729	32,961	23,987
Grants received during the year	7,088	1,683	8,771	9,395
Net grant in relation to disposals	-	-	-	(191)
Released to income in the year	(260)	(52)	(312)	(230)
As at March 2024	36,060	5,360	41,420	32,961

	2024 £'000	2023 £'000
Amounts to be released within one year	382	260
Amounts to be released in more than one year	41,038	32,701
	41,420	32,961

As at 31 March 2024, there is £nil due for repayment and £nil has been paid in the year.

Other Government Grants received from GMCA in relation to the West Vale and Belgrave Road schemes are secured by charged property deed in favour of the GMCA.

Note 20: Recycled capital grant fund

Group and Association	**2024 £'000**	2023 £'000
As at 1 April 2023	229	592
Grants recycled from sale of Right to Acquire sales	-	216
Interest accrued	-	8
Recycling of grant	-	155
New build	-	(742)
Other	(229)	-
Repayment of grant to the HCA	-	-
As at March 2024	-	229

As at 31 March 2024, there is £nil due for repayment and £nil has been paid in the year.

Note 21: Provision for liabilities and charges

Group and Association	2024 £'000	2023 £'000
Development Agreement	20,300	32,936
Remediation Works	-	-
Closing balance as at 31 March 2023	20,300	32,936

	Development Agreement	Remediation Works	Total
Opening Balance	32,936	-	32,936
Provision in Year	-	-	-
Less: Investment Works	(12,636)	-	(12,636)
Closing Balance as at 31 March 2024	20,300	-	20,300

The provision represents the best estimate of the costs of contracted works for the repair and improvement of transferred properties incurred under the Development Agreement. The provision will be utilised as the works are actually completed (See note 16 for further details).

Note 22: Capital Commitment

	Group 2024 £'000	Group 2023 £'000
Capital expenditure that has been contracted for but not been provided for in the financial statements	48,395	60,644
Capital expenditure that has been authorised by the Board but has not yet been contracted for	6,749	24,366

The above commitments will be financed primarily through cash generation and borrowings (£48,398k), which are available for drawdown under the post year-end refinancing loan arrangements, with the balance (£6,746k) funded through social housing grant.

Note 23: Operating Leases

Group and Association

At the end of the year the Group and Association had minimum lease payments under non-cancellable leases as set out below:

	2024 £'000	2023 £'000
Land & Buildings		
Less than one year	31	31
Later than one year but not later than five years	122	122
In five years or more	-	-
Total	153	153
Other leases		
Less than one year	640	552
Later than one year but not later than five years	846	898
In five years or more	-	-
Total	1,486	1,450

Note 24: Investment in Subsidiary

FCHO is the Parent entity in the Group and ultimate controlling party. These financial statements consolidate the results of FCHO and New Living Homes Ltd which is a subsidiary of the association at the end of the financial year (New Living Homes Ltd was incorporated on the 20 October 2016). The association owns all the share capital and has the right to appoint members of the board of the subsidiary and thereby has ultimate control. The subsidiary is a regulated company which has the same registered office as the group.

Note 25: Related party disclosure

The ultimate controlling party of the group is FCHO - Registered social housing provider. There is no ultimate controlling party of FCHO.

As a member of the Group FCHO has had the following transactions with its subsidiary:

2023/24	Income	Expenditure	Debtors/(Creditors)
	£'000	£'000	£'000
New Living Homes Limited	659	(24,026)	(3,039)

The above transaction relates primarily to recharges in relation to staffing from FCHO to the subsidiary, also included within the transactions above are running costs FCHO incurs on its behalf in managing New Living Homes Ltd.

The association received a gift aid payment of £0.251m in the period ended 31 March 2023 (2023:£0.155m).

There is currently one board member of the company who is also a tenant:

Ron Smith - appointed 01 October 2018	Tenant

Board Member's tenancy arrangements are on normal commercial terms and they are not able to use their position on the board to their advantage. Rent charged to the Tenant Board members was £5,092 (2023: £4,595). There are no arrears on their tenancies at the reporting period end (2023: £Nil).

Note 26: Financial Instruments

The Group's and Association financial instruments may be analysed as follows:

Financial assets	**Group 2024 £'000**	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Fixed assets measured at historical cost:				
- Trade receivables	258	64	258	64
- Other receivables due within one year	15,074	17,910	15,293	18,111
- Other receivables due after more than one year	10,280	20,398	10,280	20,398
- Investments in short term deposits	-	100	-	100
- Cash and cash equivalents	2,972	2,567	2,244	1,792
Total financial assets	28,584	41,039	28,075	40,465
Financial assets - measured at fair value through other comprehensive income				
Interest rate swaps	285	-	285	-
Financial liabilities				
Financial liabilities measured at amortised cost:				
- Loans payable	69,531	31,974	69,531	31,974
Financial liabilities measured at historical cost:				
- Trade creditors	3,622	2,860	3,508	2,075
- Other creditors due within one year	11,692	16,226	11,763	16,690
- Other creditors after more than one year	41,067	32,688	41,067	32,688
Financial liabilities - measured at fair value through other comprehensive income				
Interest rate swaps	-	-	-	-
Total financial liabilities	125,912	83,748	125,869	83,427

It is the Association’s treasury policy to hedge interest rate risk exposure arising from its floating loans by entering into vanilla fixed to floating interest rate swaps.

The Association considers that an economic relationship exists between the hedge instrument (interest rate swap) and the hedge item (floating loan) in that the values of the hedge item and hedging instrument are expected to typically move in opposite directions in response to movements in the same risk, the hedge risk, over the life of the hedge.

Note 26: Financial Instruments (continued)

The Association only has one swap, entered into on the 19th Dec 2023 until 28 May 2032 for £20m. Cashflows on the interest rate swaps are quarterly between;

Interest rate swaps	**2024**	**2023**
	£000	**£000**
December 2023 – 28 May 2032	**£20,000**	**-**

The interest rate swaps had a combined market valuation as at 31 March 2024 of an asset of £285k (2023 n/a).

Any movements in fair value of the swaps are recognised annually as other comprehensive income in the Statement of Comprehensive Income (SOCI). During 2023-24, the change in value was a gain of £285k which was recognised within other comprehensive income and can be identified on the face of the Statement of movement in Reserves (2023 : n/a)

Note 27: Net debt reconciliation

Group and Association

	As at 1 April 2023 £'000	**Cash flows £'000**	**Other non-cash changes £'000**	**As at 31 March 2024 £'000**
Cash at bank and in hand	2,567	405	-	2,972
Cash and cash equivalents	100	(100)	-	-
Bank Loans	(31,975)	(37,556)	-	(69,531)
Net Debt	(29,308)	(37,251)	-	(66,559)