wandle

Wandle Housing Association Limited

Strategic Report and Financial Statements

For the Group and the Association

For The Year Ended 31 March 2024

Registration Number: 19225R

wandle

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Board members, executives and advisors

Board of Management

Valerie Vaughan-Dick - Chair
John Baldwin
Julie Blair (appointed 1/4/23)
Moorad Choudhry
Steve Dickinson
Justin Gyphion* (appointed 1/4/23)
Joanna Hills
Tracey Lees - Co-optee (resigned 30/4/23)
Andy McWilliams
James Pennington
Paul Phillips
Zoe Shaw
Anne Waterhouse – Co-optee (appointed 14/6/23)

*Resident of the Association.

Executive Team

Anne Waterhouse – Chief Executive (appointed 11/4/23)
Tracey Lees - Chief Executive (resigned 30/4/23)
Yinka Bolaji – Executive Director, Property and Development
Suzanne Horsley - Executive Director, Customer Services (resigned 23/4/24)
Mark Vaughan – Interim Executive Director, Customer Services and Operations (appointed 16/4/24)
Grant Shipley - Executive Director, Finance
Gerard Naughton – Interim Executive Director, Business Services & Transformation (resigned 17/6/24)
Rebecca Escott-New – Executive Director, Corporate Services (appointed 17/6/24)
Matthew Spittles – Director of Maintenance

Company secretary and Registered Office

Simon Goulding (retired 31/12/23)
Iain Turner (appointed interim 1/1/24)
230 Blackfriars, London SE1 8NW

Bankers

Lloyds plc
39 Threadneedle Street
London EC2R 8AU

Auditors

Beever and Struthers
150 Minories
London EC3N 1LS

Customer Experience Committee

Andy McWilliams – Chair
Kybor Carlsen – Resident representative
Steve Dickinson
Justin Gyphion (appointed 14/6/23)
Joanna Hills
Ruth Kass – Resident representative
Hafiza Koroma – Resident representative

Audit and Risk Committee

Paul Phillips – Chair
John Baldwin
Julie Blair (appointed 14/6/23)
Andy McWilliams
Zoe Shaw

People Committee

Julie Blair – Chair (appointed 1/4/23)
Moorad Choudry
Andy McWilliams
Valerie Vaughan-Dick

Asset Investment Committee

James Pennington – Chair
John Baldwin
Steve Dickinson
Justin Gyphion (appointed 14/6/23)
Joanna Hills

Treasury Committee

Zoe Shaw – Chair
Moorad Choudry
Paul Phillips
Grant Shipley – Co-optee

Foreword by the Chair and Chief Executive

The 2023/24 financial year marks the midpoint of our current corporate strategy and supporting customer experience strategy.

Since the strategy was first drafted with our customers, colleagues and stakeholders, the wider environment we operate in has changed significantly – with continued challenging economic conditions, and increased and changed regulation and scrutiny.

The cost of living remains a challenge for many of our customers, and we continue to support them through our resident support service, welfare benefit advice, and through our Helping Hand Fund – which this year supported 300 households to buy household essentials and food.

> This year was the first full reporting year of the Tenant Satisfaction Measures[1] (TSMs), which we will share with our customers in the residents annual report during summer 2024.

Along with the insight we gain from these measures, other customer contact, and learning from when things have gone wrong; we are supported by the valuable input from our fantastic engaged residents – our customer excellence panel – who have continued to be a vital sounding board and shaping force.

> Our overall customer satisfaction rose from 51% to 59.5% this year, which now places us at our peer group average[2].

While we are proud of this improvement, we have more to do. Our customers continue to tell and show us that we need to be more responsive. Listening and acting is a key driver of this overall customer satisfaction, and we have made this our overarching priority for the forthcoming year.

We are fortunate to be able to use our financial arrangements to continue to invest in improving our service delivery, our existing homes and maintaining a healthy pipeline of new social homes. Whilst we continued to feel the impact of cost pressures throughout the year, increasing investment in these areas was the right action to take.

> We set aside £3.3 million for fire safety remediation works this year and delivered £15.5 million of investment in our existing customers' homes (an increase of £4.5 million from the previous year).

Over the next 3 years we will need to spend a further £21 million on building safety remediation works not covered by the original developers or the government's leaseholder building safety funds – sadly this is money that we could instead be spending on providing more social homes to support the growing number of Londoners living in temporary accommodation.

1 The Tenant Satisfaction Measures are ten items of landlord management information, and 12 measures captured through tenant perception surveys, set by the Regulator for Social Housing, that can be used to indicate how well landlords are performing.

2 Our peer group, the L12, is a group of medium-sized, London-based, housing associations: Croydon Churches (ccha), EastendHomes, Gateway, Hexagon, isha, Karibu, Look Ahead, Newlon, Phoenix, Poplar HARCA, RHP and Wandle.

Strong governance arrangements underpin all that we do. We were pleased to regain our regulatory G1 rating following our stability check in November, which reflected the efforts of everyone here at Wandle. With the introduction of consumer regulation from April 2024 we are not complacent, and we will be continuing to work proactively with the Regulator of Social Housing and the Housing Ombudsman to meet, and strive to exceed, their requirements.

> We were delighted to achieve a Silver Investors in People award during the year. The feedback highlighted how far we have come since developing our people strategy, towards achieving our enabling objective "an employer of choice".

Our colleagues are engaged and committed to what we do. Changes made this year, and our ongoing actions will start to deliver real improvements – working in more productive and purposeful ways to deliver outcomes for customers that make us proud.

The ongoing cost-of-living pressures, enhanced regulatory and legal requirements, and greater insight we get from our customers mean that it is the right time to start to look forward to 2025+.

We are looking forward to working with the new government to encourage the development of a long-term housing strategy which is essential to enable certainty and stability for all providers and beneficiaries of social housing.

We'll begin to develop our new 2025 strategy over the next year, incorporating what matters to our customers and the steps to achieve the long-term sustainability of their homes.

Our achievements this year and the delivery of our ongoing service improvements wouldn't be possible without our involved customers, the Board and Executive team, and our colleagues.

Valerie Vaughan-Dick, MBE
Chair

Anne Waterhouse
Chief Executive

Strategic Report

Principal activities and review of business

About Wandle

Founded in 1967 as the Merton Family Housing Trust, in response to the film "Cathy Come Home", we have since grown into an organisation with over 7,000 homes across nine south London boroughs providing homes for rent (social and affordable), shared ownership and supported housing. We also have a small portfolio of commercial properties and garages.

We see our purpose as supporting people, across south London, who need a home. We are helping to tackle the shortage of good quality affordable housing by providing homes for people most in housing need.

We want to be a good landlord and contribute to building strong communities in south London, delivering our vision 'Homes to be proud of and services you can trust'.

Our Business Model

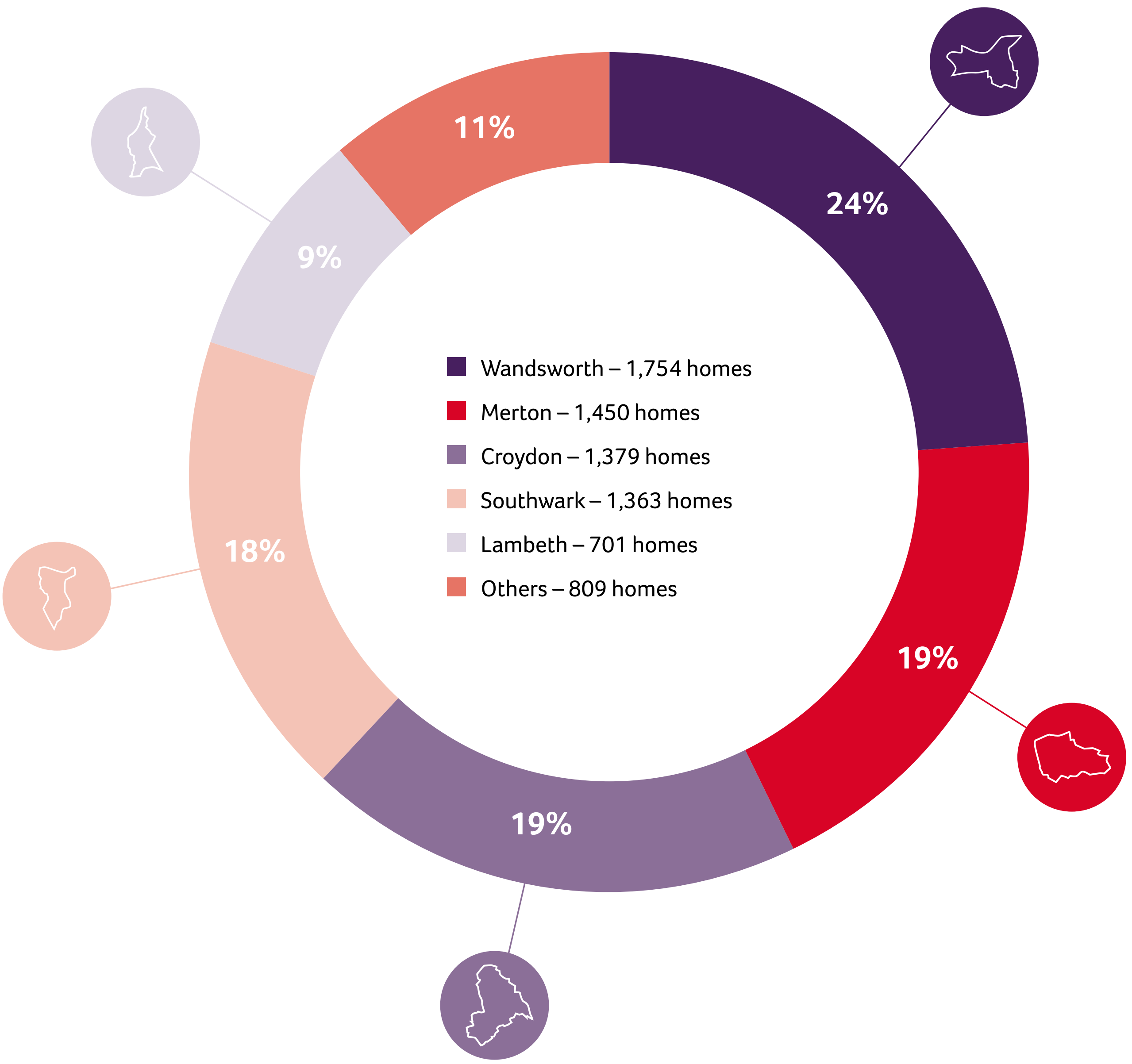
Our business model has been established to develop new homes and deliver landlord services in a way that supports our founders' original aspirations and our purpose and vision.

As a developer we build homes for sub-market rent and low-cost home ownership.

As a landlord we deliver a range of services including housing and tenancy management, repairs and maintenance, and income collection, all underpinned by our ambition to deliver consistently good customer services. We aim to generate a surplus on our core landlord activities and to measure this through our 'Social Housing Operating Margin', which is one of our key financial performance indicators. Where our services are subject to a separate service charge, we aim to recover our service costs through these charges. Any surplus generated on landlord activities contributes towards the development of new affordable homes.

In addition to these core activities, we are committed to addressing wider social issues across our neighbourhoods. Wandle works in partnership across south London to support programmes to improve the life chances of our customers, help them to find jobs, further their education and skills, and reduce anti-social behaviour. Support is also provided for customers facing other challenges.

Area of operations



See page 76 for breakdown of homes by tenure.

Group Structure

Wandle's group structure and operating companies are set out below:

Wandle Housing Association Ltd
Charitable Housing Association

Ravensbourne Developments Ltd
Non-charitable
Development and Market Sale Company
Wholly owned by Wandle

Delta Homes Ltd
Non-charitable
Design and Build Company
Wholly owned by Wandle

Unitworthy Property Management Ltd
Non-charitable
Property Management Company

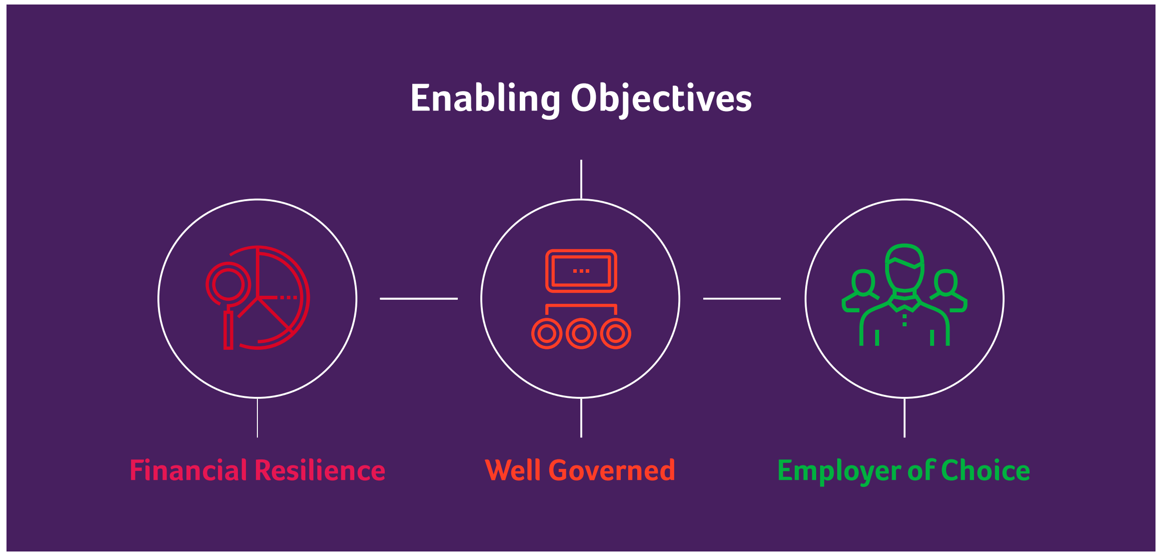
Strategy and objectives

Wandle's current corporate strategy runs from April 2022 to the end of March 2025.

Two years in, we continue to see some great outcomes being delivered and further improvements in our services. We know we can and need to do more, so we continue to work on improving our services. This can be seen in the performance highlights and case studies shown below.

In our corporate strategy, we have set ourselves three strategic themes to support the delivery of our purpose. These are underpinned by our three enabling objectives – critical activities without which we will not be able to deliver our themes.

Strategic Themes		
Outcomes for customers that make us proud	Providing homes we would be happy to live in	Building new homes and successful communities



We are delivering our 2022 to 2025 strategic themes and enabling objectives through our business planning and six core supporting strategies. Progress is monitored by our Executive team and Board on a monthly and quarterly basis, and our Customer Excellence Panel. We report on our annual progress both to our Board and to all our customers and other external stakeholders via the Annual Report.

Our corporate strategy is split into annual phases, reflecting the significant level of transformation that we need to deliver to achieve our ambitious goals for 2025. This approach means we set our performance targets in a progressive way, increasing targets incrementally in line with the performance improvements delivered.

To help deliver the required improvements in performance, our plans each year are grouped into strategic themes and enabling activities. In the first two years of our corporate strategy we completed over 85 strategic priorities, and we are now seeing the positive impact that our improvement activities have made.

Key achievements for this year include:

- ✓ In November 2023 we were awarded a G1 governance grading by the Regulator of Social Housing following our annual stability check. The assessment also confirmed our V2 grade for financial viability.
- ✓ We achieved a silver award from Investors in People, reflecting our efforts to become an employer of choice, helping us to attract, retain and develop the right people for our business.
- ✓ We improved our overall customer satisfaction, measured by Tenant Satisfaction Measure surveys, from 51% in 2022/23 to 59.5% in 2023/24.
- ✓ We held two community days with our residents, co-designed with our residents panel, which provided the opportunity for our customers to come together in their communities.
- ✓ We went live with our upscaled in-house repairs service which, over the medium term, will enhance our ability to develop repairs services in line with our Corporate Strategy.
- ✓ We developed our performance framework and use of data insight, which is helping to inform our decision making.
- ✓ We extended our Build More Homes programme and identified opportunities to build new homes within our existing stock.
- ✓ We have agreed a programme of further investment into our homes to deliver energy sustainability, building safety and compliance.

2023/24 Performance Highlights

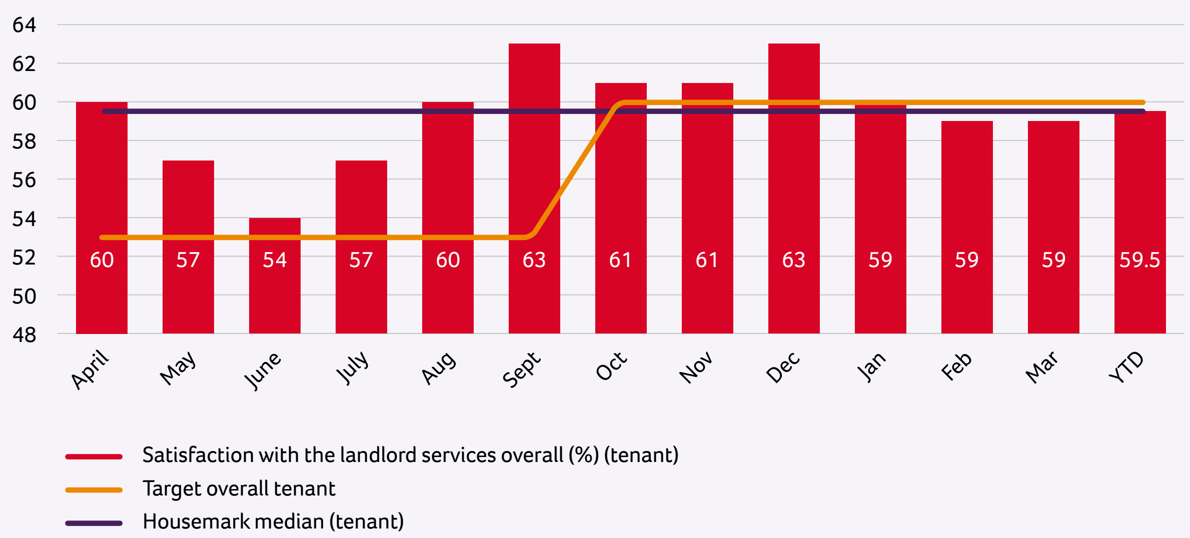
As we conclude the second year of our strategy, we can see significant improvements. Ten of our measures were on or exceeding target, four within tolerance and four outside of target.

Our residents

Our overall customer satisfaction continues to move in the right direction, with a 2023/24 performance of 59.5%, up from 51% in 2022/23 and 31% in 2021/22, reflecting the continual improvements made to front line services throughout the year. These improvements in customer satisfaction show that we are focusing on our customers and what is most important to them. Our performance is now in-line with the median of our peer group, the L12[3].

We measure and report on customer satisfaction using the Tenant Satisfaction Measures set out by the Regulator of Social Housing, having adopted the new approach in 2021/22. This year we have developed our customer insight reporting to help us improve how we can deliver our services using customer segmentation to break down and learn from our data. This has enabled us to identify that listening and acting is a key driver of our residents' satisfaction with us.

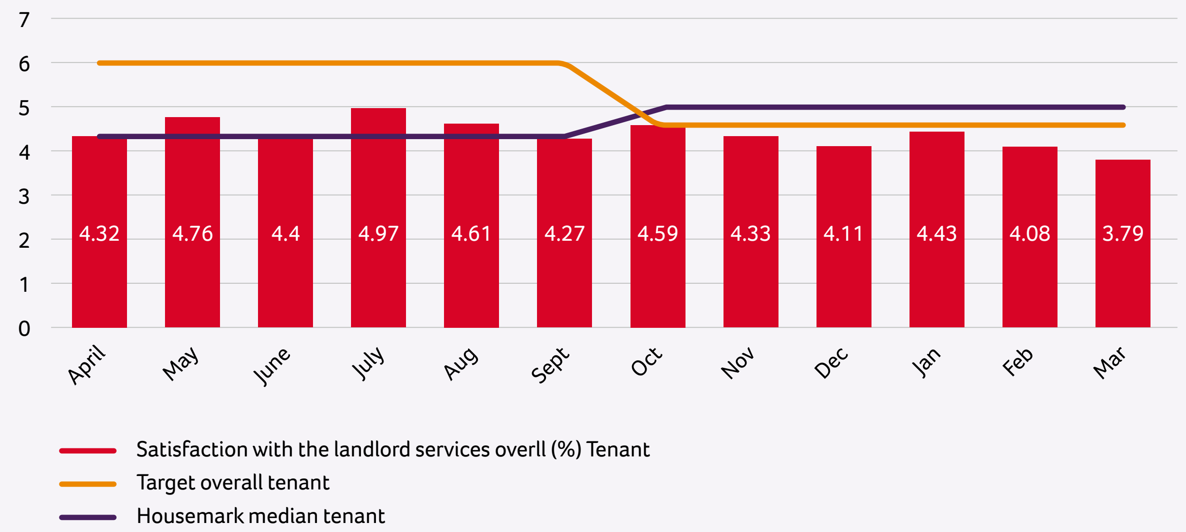
Resident satisfaction overall %



3 Our peer group, the L12, is a group of medium-sized, London-based, housing associations: Croydon Churches (ccha), EastendHomes, Gateway, Hexagon, isha, Karibu, Look Ahead, Newlon, Phoenix, Poplar HARCA, RHP and Wandle.

Our tenant arrears performance continues to buck the national trend, with arrears reducing to 3.79% at the year end. Given the continued pressures due to the national economic position and cost-of-living crisis, this has taken immense effort and leadership by our Income team. Our resident support team have worked closely with our residents to help them access additional financial and advisory support.

Current tenant arrears %



Complaints

The Customer Resolutions team is now fully embedded and provides clear oversight of complaints across the organisation twice every week. Complaint numbers have remained stable this year, with 1,466 complaints registered in 2023/24, compared to 1,462 in 2022/23.

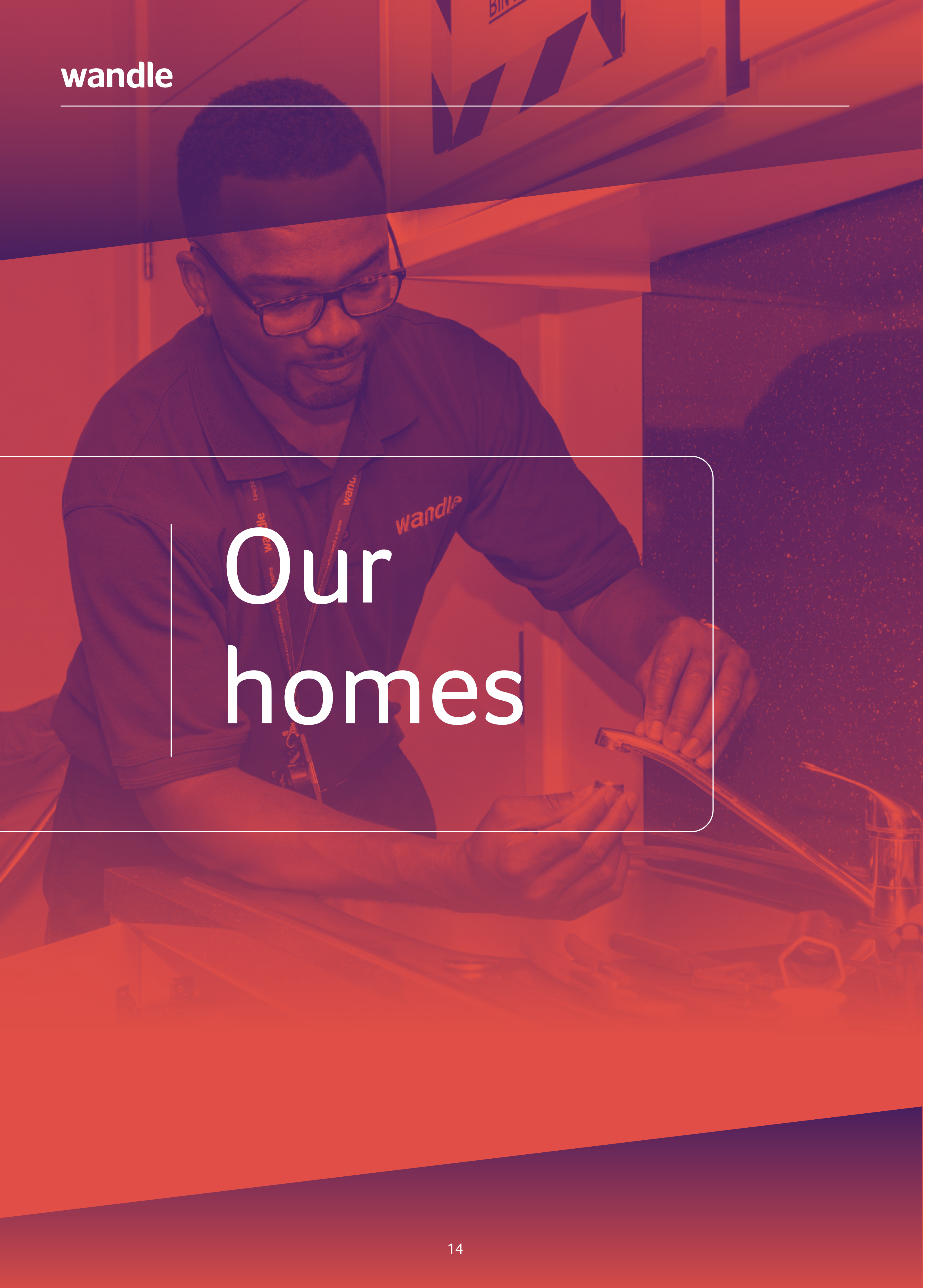
Enhancements to our processes have been made during the year to allow more robust assurance to the Board and to fully comply with the Consumer Standard and the Housing Ombudsman's Complaints Handling Code requirements. Like many other housing providers we have had some critical feedback from the Housing Ombudsman, and the enhancements we are making will ensure that key lessons are learned, and our services evolve to prevent the need for complaints to be made and escalated.

Complaints case study

In March 2023 a customer reported several repair issues with her kitchen. Following a surveyor visit, a work order was raised for the entire kitchen to be replaced. Due to various reasons, this work took longer than anticipated and as a result, the customer raised a complaint which was escalated to stage two.

At stage two, the case was reviewed by the customer resolution manager, who responded to the customer with a clear explanation and a breakdown of the revised level of redress. The customer was happy with the revised response and asked for the case to be closed.

> Reviewing the case has given the customer assurance that her concerns were taken seriously, without requiring the case to be escalated to the Housing Ombudsman.



Our homes

Repairs performance

Our strong performance on appointments completed on time continued into the first of half of this year, as we targeted process improvements. We therefore increased our target for the final six months of the year.

However, we have struggled to maintain the same level of performance as the service has been impacted by increased demand during the winter months and a very competitive recruitment market for repairs operatives. We set up a repairs steering group to address the reasons performance was not improving, as the feedback we were getting from residents did not match the positive transactional satisfaction survey results, collected when repairs are completed.

We have developed improved reporting and oversight of repairs, to ensure repairs are not closed until the work has been reviewed and signed off by a supervisor. A proportion of repairs are now checked with the resident before they are closed in the system to ensure the resident is happy the work has been completed.

Property compliance

We continue with our effective approach to management of fire safety (and building safety) within our property portfolio. During the year, we agreed a new building safety framework to manage key building safety risks in a holistic way to ensure our customers are safe in their homes.

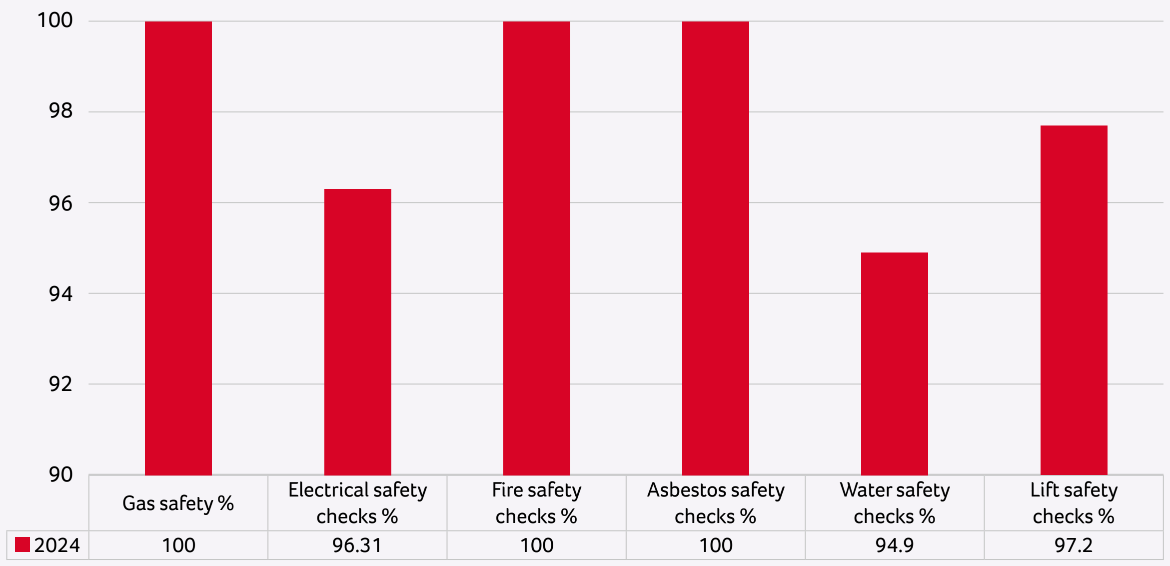
The framework outlines activities required for all building safety regulatory and compliance requirements and establishes a performance monitoring system to enable effective governance. An improvement plan underpinning the framework sets out cross-cutting procedures for areas including no-access, customer engagement, superior landlords and data management.

We commissioned a new building safety compliance system to deliver performance monitoring systems, hold all certification document and provide real time information on building safety actions. During the year, we completed external wall assessments of all our buildings with cladding systems. A total of 18 buildings across ten sites have been identified from our PAS 9980 assessments as requiring remediations.

We confirmed that we will not be seeking recovery of remediation costs from homeowners, and have secured funding from the Government's Cladding Support Scheme for three of these blocks, while we await decisions on other blocks. We will continue to seek recourse from the original developers and warranty providers, where possible. Remediation work for one of the blocks commenced in June 2024 following a successful tender process. Work on the remaining blocks will commence during 2024 and 2025. We have provided for £5.3m in our financial statements for the year ended 31 March 2024.

On 31 March 2024, 99% of our homes were compliant with Decent Homes standard. We invested £8 million into our assets in 2023/24 with an objective of achieving 100% compliance with Decent Homes. Work commissioned on the 58 non-compliant homes will be completed in 2024/25.

Building safety compliance



Keeping our customers safe continues to be our priority and performance on property compliance shows that we have been successful in this area. The graph below shows our percentage compliance position in March 2024 for our six landlord health and safety measures. We have continued with our transition from ten to five-yearly electrical inspections for our domestic properties.

The domestic electrical programme is in place and monitored closely by our Senior Management Team and Executive Team. We are confident we will reach 100% compliance during the latter part of the 2024-25 financial year.

We are taking legal action to gain access to homes where necessary, which is contributing to the length of time required, owing to limited court availability.

Using our customer insight and segmentation work we have revised how we communicate with residents where there have been 'no access' cases to resolve, before needing to take legal steps.

Development

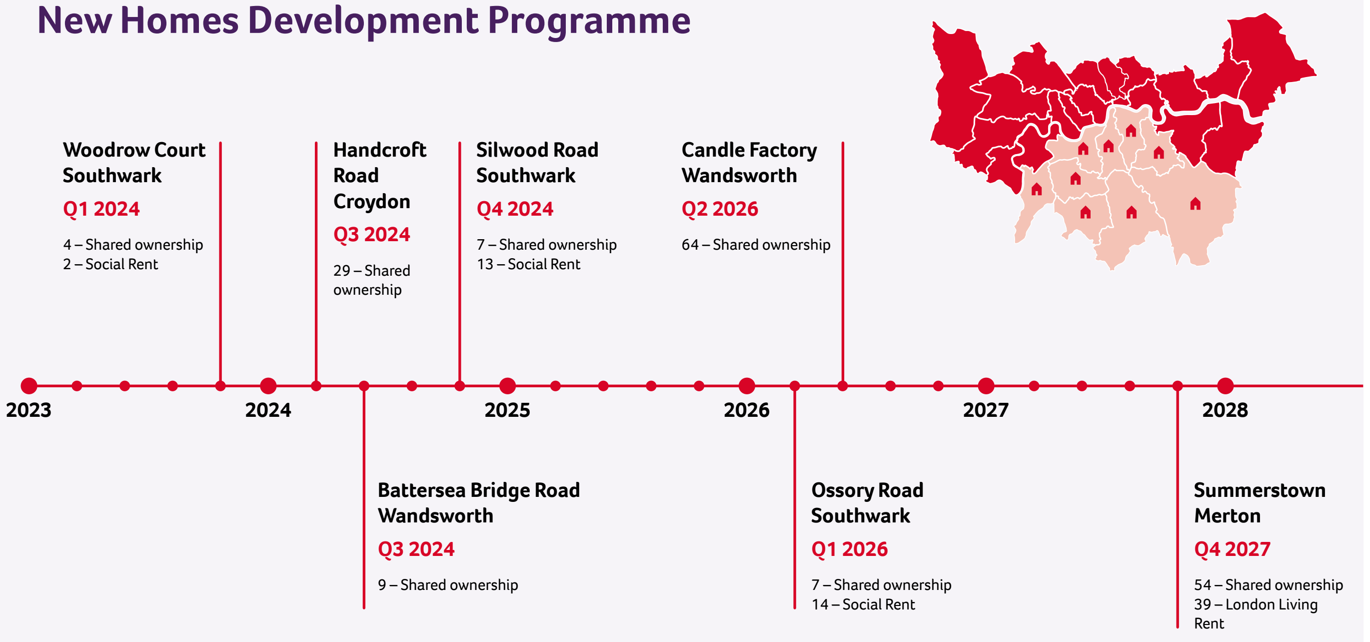
Our new homes growth strategy has an ambition to deliver at least 500 genuinely affordable, safe and well-designed homes in south London by March 2028. Decisions on schemes to be considered are guided by key principles of strategic fit, financial viability, risk assessment and deliverability.

We have continued with our Build More Homes project using disposal proceeds from high value properties to fund the delivery of additional new homes. Since July 2022, we have supported and voluntarily rehoused 30 existing tenanted households who were generally living in poor conditions in homes unsuitable for their needs. We sold a total of 51 empty properties on the open market and their proceeds will be used to acquire 155 social rent properties. Our Long-Term Financial Plan assumes the sale of up to 25 Build More Homes properties a year, with proceeds made available to support delivery of additional social rented homes.

The Board remains committed to providing additional new homes with a focus on social rent and shared ownership – subject to financial capacity we will seek to deliver more than 100 homes per annum. Our Hidden Homes Project continues to explore the potential to deliver homes on sites within our existing portfolio through infills and redevelopment. Land-led delivery and S106 opportunities remain our focus for providing new homes, however we will continue to and seek to explore potential partnership arrangements with the Greater London Authority (GLA), local authorities and developers to help complement our development capacity.

During last financial year, we completed 12 new homes against a forecast of 41 homes. Our development at Handcroft Road was delayed due to contractor insolvency and the additional time required to reprocure an alternative contractor. We currently have a further 243 homes in committed schemes at construction or preconstruction stage and we are in discussions with developers to acquire a further 148 homes (99 of these are for social rent).

New Homes Development Programme



Risk management

Strategic risks are potential events that could prevent us delivering our Corporate Strategy. We have identified 11 strategic risks and the necessary controls and mitigations required to manage these. Our Audit and Risk Committee consider our strategic risk register at most of their meetings, following a review by our Executive team. The Board review the register six-monthly, and undertake an annual review of risk appetite.

Risk management is further embedded with supporting departmental risk registers overseen by senior management which include any specific risks relating to project delivery.

In the table below is a description of our strategic risks, noting the controls in place and any plans to mitigate these risks, enabling the current risk scores to move towards the target risk score set by the Board.

SR1: Customer service design and delivery do not satisfy the needs of our diverse customer base, impacted by a weak culture, not knowing our customers and limited use of customer feedback and engagement.

Key controls	Action plans
• Clear targets and monitoring set by Executive, CEC and Board for service and operational improvement – Corporate Strategy and annual performance targets.	• Monitoring implementation of Customer Experience Strategy action plan. • Monitoring of progress against annual performance targets.
• In-house repairs service has strong management, record keeping and reporting enabling good control and clear visibility and understanding of the repairs service. • Repairs Steering Group in place and creating a programme of work for improvement. • Dedicated disrepair team is fully operational.	• Data & performance reporting dashboards require further enhancements to support repairs service. • Day to day repairs processes review, with outcomes and recommendations agreed. • Damp and mould review, with outcomes and recommendations agreed.
• Positive customer culture with regular engagement activities that allow our diverse customers to influence the services they receive. Resident Engagement strategy agreed and monitored by Executive, CEC and Board. • TSM surveys have been introduced in line with RSH approach.	• Monthly reporting/ monitoring of customer surveys and evidencing the impact of lessons learnt. • Review of service to shared owners/ leaseholders', with outcomes and recommendations agreed. • Review of managing agents and superior landlord relationships, with outcomes and recommendations agreed. • Embed the principles of customer segmentation, regularly using it as a tool to improve and enhance services to customers
• Positive complaints culture that meets the requirements of the Housing Ombudsman complaints code. Clear outcomes in the new complaints performance and service improvement plan will be monitored by Executive, CEC and Board.	• Review complaints processes, with outcomes and recommendations agreed.

SR2: IT and Data Systems are at risk of Cyber-attack.

Key controls	Action plans
• Support and advice service from Phoenix (Cyber experts)	
• Penetration testing in place.	
• Network monitoring and encryption.	
• Policies and training and phishing testing.	
• BCP testing.	
• Cyber insurance.	
• Cyber Essentials certification achieved.	• Attain Cyber Essentials plus accreditation.

SR3: Inadequate financial performance to deliver our strategic objectives.

Key controls	Action plans
• In a very difficult insurance market, we have secured continuing insurance cover from Zurich for 2023/24, albeit with a significant increase in our building insurance premiums.	• We will explore alternative options for insurance provision in 2024/25.
• The Long-Term Financial Plan (LTFP) forecast is based on the Corporate Plan and is fully funded through existing facilities to March 2028.	
• Stress tests covering all key LTFP risks.	
• Early warning indicator (EWI) and risk alert systems identify emerging risks.	
• Sales under the Building More Homes Pilot are generating additional investment capacity.	
• Detailed and comprehensive financial reporting to the Executive, Committees, and the Board.	

SR4: Data quality and record keeping is unreliable, due to system implementations not delivering requirements and processes not being followed by colleagues.

Key controls	Action plans
• Data change processes have strong management processes in place.	
• Performance definitions are regularly reviewed.	• Implement the performance management framework reporting on Power BI dashboards.
• Systems have strong audit trails on changes made.	
• Effective processes and checking adherence.	• Implement Data Policy setting out how adherence to processes will be checked by management and data owners.
• Rent and Service charge increase processes have segregation of duties and validation processes.	• Automated rent increase and rent setting processes to go live.
• Effective training of employees in processes and systems including new starters.	• Business case for Digital Trainer role to be drafted.

Risk management

SR5: Failure to adequately invest in our homes and provide safe homes to Decent Homes Standards and other agreed standards for our customers .

Key controls	Action plans
• Stock condition survey data held on Keystone with ongoing stock condition surveys.	
• New Asset Management Strategy and associated action plans.	
• Asset investment assumption in Long Term Financial Plan validated by external consultants.	• Review cost assumptions for EPC C plans following recent feedback on costs for SDHF bid proposals
• Repairs policy and operational procedures and policies.	• Embed approach to MOT surveys and ensure appropriate oversight for HHSRS and damp & mould compliance.
• Planned investment programmes commissioned with contractors for component and cyclical decorations.	• Agree 3-year investment programme. • Plan and procure investment programme.

SR6: Supply chain interruption impacts ability to procure resources (repairs, asset management and development) and deliver existing contracts and services.

Key controls	Action plans
• Continually review delivery capacity of upscaled in-house service and Plentific/specialist contractor input (83/17 split) to ensure delivery compliance against policy standards.	• Greater focus on larger jobs and driving greater productivity. • Adopt revised approach to recruitment.
• Incentive scheme recently revised for 2024/25 to further drive values and behaviours	
• Regular dialogue with contractors and market insight.	
• Spread of risks through contractor base.	
• Robust contract supply chain management.	• Review planned work schedule to align with new cycle of business planning. • Implement new contract management system to enable oversight on key contractors' performance.
• External procurement team in place supporting business.	
• Governance reporting and oversight.	

SR7: Failure to comply with building safety regulations.

Key controls	Action plans
• Policies and procedures across major health and safety areas, including inspections and checks.	• Embed 'no access' arrangements and implement consistent approach for testing and inspections.
• Data management, reconciliation, and reporting in Keystone.	
• Performance reporting on property compliance to Exec/ Asset Investment Committee (AIC)/Board.	
• New building safety framework and implementation plan agreed.	• Implement building safety framework action plans, including quality assurance review of building safety activities.
• EWS surveys and remedial arising from new Building safety legislative arrangements.	• Commission EWS remedial programme.

SR8: New homes fail to meet cost and sales forecasts, or quality standards.

Key controls	Action plans
• New Homes Growth Strategy aligned with Long Term Financial Plan (LTFP).	• AGHS loan application to agree additional capacity and resources for development of new homes.
• Development appraisals hurdles and cashflow updates.	
• Development procedures aligned with standing orders and gateway approach to projects, including outturn reports to AIC.	• Recommend and implement new building safety regulations for new build homes, including golden thread data and improved customer journey outcomes.
• Development update reporting and outturn forecasts to AIC & Board.	
• Sales forecast & valuation updates on committed schemes.	
• Wandle Design guide and procurement arrangements with consultants.	

SR9: Income constraints introduced through government rent policy and increased costs arising from legislative and political intervention.

Key controls	Action plans
• The development of new homes through our Build More Homes programme or the acquisition of stock from other housing providers should not be negatively impacted by this risk.	
• Some schemes could still be developed under Wandle's Hidden Homes programme.	• Continue to explore opportunities provided by our Hidden Homes programme.

Risk management

SR10: Failure to meet regulatory requirements, including the new consumer standards.

Key controls	Action plans
• Annual review of governance effectiveness and member appraisals.	• Agree and implement actions and training needs arising from appraisals
• Risk Strategy and Assurance Framework in place.	
• Regular monitoring and processes in place for compliance and all regulatory submissions.	• Careful planning and oversight required for first TSM submission to RSH and procedure to be fully documented after successful submission.
• Consumer Standards Oversight framework has been developed and will be reported to ARC quarterly and Board bi-annually. Gaps in compliance have been identified.	• Deliver on improvements required to meet all requirements of the standards. • Commission external governance review, focusing on consumer standards with findings to be reported in Dec 24. • Implement recommendations from governance review.

SR11: Inability to recruit and retain high quality colleagues to deliver the skills of the future.

Key controls	Action plans
• New People strategy agreed by People Committee.	
• Recruitment practices and processes are in place with appropriate controls.	• Work with managers to develop an in-house apprenticeship scheme for hard to recruit roles.
• Learning and development offer is clear and effective.	• Recruit a permanent Head of People. • Review L&D approach and agree approach with Executive team in line with competency standards.
• Management processes are in place and are documented.	• Executive team to monitor usage of HR system in their teams.
• Processes are in place to receive regular formal feedback from employees and respond.	• Implement recommendations from the Investors in People survey.

2023/24 Highlights – Financial performance

£000	2024	2023
Turnover	61,151	55,907
Cost of sales	(925)	(472)
Operating costs	(53,163)	(46,410)
Surplus on sale of assets	14,424	23,289
Fair value movement of investment properties	(147)	(60)
Operating surplus	21,340	32,254
Net interest cost	(10,795)	(13,367)
Fair value movements	(7,060)	5,170
Total surplus for the year	**3,485**	**24,057**

Turnover

Total turnover for the year was £61.2 million (2023: £55.9 million).

Turnover excluding First tranche sales was £59.0 million, an increase of £3.6 million, which was mainly from the annual uplift in our rental and service charge income.

Our rental and service charge income from social housing lettings of £58.2 million represents 95% of total turnover. (2023: £54.2 million - 91% of total turnover).

Amortisation of social housing grant income was £3.4 million (2023: £3.4 million).

Our turnover from other social housing activities increased to £2.6 million (2023: £1.5 million), largely due to an increase in first tranche sales.

2023/24 Highlights – Financial performance

Cost of sales

This represents 13 first tranche shared ownership sales with a cost of sales of £0.9m. The gross profit margin was 57.1% (2023: 1.3% – 3 sales) reflecting lower unit costs for homes sold.

Operating costs

Our total operating costs increased to £53.2 million (2023: £46.4 million). Increases from 2023 included; £2.1 million staffing, £1.9 million for repairs and maintenance (planned and responsive), £1.0 million additional spend on insurance premiums and £0.8 million for managing agent fees.

Operating surplus

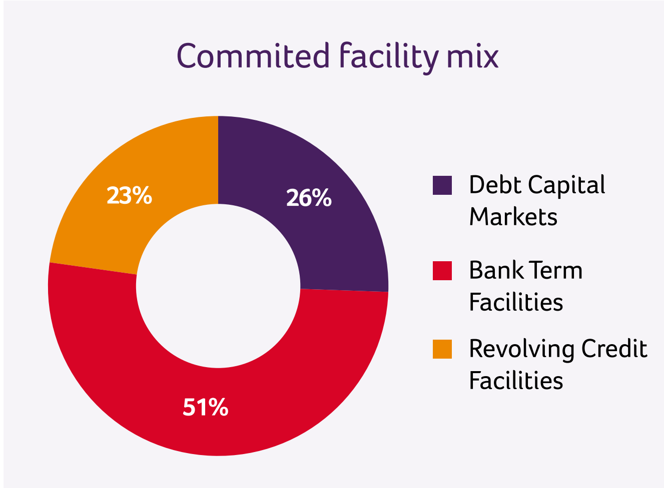
The operating surplus for the year was £21.3 million (2023: £32.3 million), a decrease of 34% on the previous year.

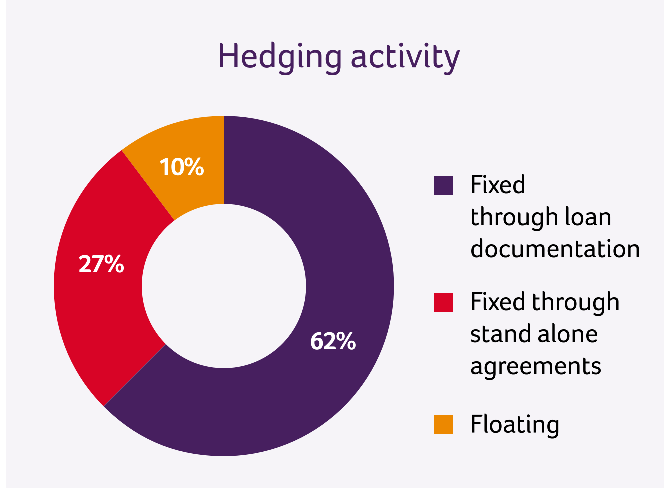
Surplus on the sale of fixed assets was £14.4 million (2023: £23.3 million), a decrease of 38% on the previous year. The decrease from 2022/23 was mainly due to a reduced number of homes being sold under the Build More Homes project. 20 homes were sold for the project in 2023/24 (2022/23: 27 homes).

First tranche sales generated a surplus of £1.2 million. The increase in sales reflects the higher scheme interest and construction costs experienced in the prior year and a decision to reduce development exposure and phase sales from 2022/23 into 2023/24.

Net interest and other income

Our net interest charges of £10.8 million (2023: £13.4 million) include £3.2 million (2023: £0.9 million) of interest receivable from banks. Gross interest payable was £14.0 million (2023: £14.3 million).





Building long-term financial capacity

At 31 March 2024, Wandle had £371m of committed debt funding (2023: £384m) with drawn funding totalling £317m (2023: £327m). All undrawn funding is committed and is available at very short notice. We maintained total liquidity of £116 million, comprising £62 million of immediately available cash (£29 million) and short-term deposits (£33 million) plus £54 million of committed undrawn revolving credit facilities, comfortably meeting our liquidity golden rules.

Our treasury strategy is focussed on maintaining a diversified loan portfolio with a number of funding sources. We delivered this with 74% of our funding at the year-end being from bilateral term loan facilities from capital markets, bank and building society lenders with the balance provided by revolving credit facilities from a bank and a building society.

We have continued to limit our refinancing risk in the next five years with 71% of our debt maturing after 5 years.

We continue to be risk averse in our approach to interest rate management, maintaining a policy of carrying the majority of our debt at fixed rates of interest through a mixture of embedded fixed rate loans and standalone hedging agreements. This approach has helped us to lessen the impact of persistently high interest rates seen over the last year. Our weighted average cost of funds at year end was 3.9%.

The overall level of debt funding is controlled by our Golden Rules which ensure that we have sufficient debt service capacity under a broad range of adverse scenarios.

Value for money

Value for money

In 2022/2023 we introduced a new Value for Money (VFM) Strategy, taking a strategic approach to VFM. The new VFM Strategy defined five key VFM strategic objectives for Wandle:

1. Generate the maximum social and financial return from our assets and other resources for the benefit of our customers.
2. Manage our services through optimised processes that deliver consistently good services to our customers.
3. Carry out option appraisals for our services and assets in order to optimise their economy, efficiency and effectiveness.
4. Work with high performing partners, contractors and suppliers, selected and retained to enhance the services we provide to our customers.
5. Reinvest the financial returns we make from achieving our VFM objectives to optimise the economy, efficiency and effectiveness of our services and assets over the longer term (30 years).

1 Generate the maximum social and financial return from our assets and other resources for the benefit of our customers

Our first priority as a housing association and a charity is to provide homes for people in South London who cannot afford to buy their homes on the open market.

Build More Homes

With this objective in mind, we have continued our Build More Homes programme to enable us to build and acquire more homes, by engaging with tenants of homes with a high open market value who may prefer to be rehoused in properties which are more suitable for their needs. The original properties are then sold, and the proceeds used to develop or acquire more properties for rent or shared ownership. Through this programme our target is to provide up to three new homes for every one we sell.

Since 2021/22 we have sold 50 homes, which we will aim to replace with 151 homes in future years.

Flats converted from street properties

Each quarter we measure the financial and operational performance of our different business streams and property types.

From this analysis we have identified that flats converted from street properties often perform relatively poorly, due to their high repair and investment requirements, relatively low tenant satisfaction and poor energy performance. In the coming year we will identify those properties which are performing particularly poorly and either make further investments in them (to improve their performance) or, alternatively, look to sell them and provide homes elsewhere if such investment would prove uneconomical.

Value for money

We will use the following metrics to measure the social value and financial returns on our assets:

- **Return on Capital Employed**[1]
- *Return on Capital Employed – based on open market values*[2]
- **Operating margin (Overall)**[1]
- **Operating margin (Social Housing)**[1]
- *Operating margin for different business streams (Overall – before depreciation)*[2]
- **Headline social housing cost per unit**[1]
- **% Gearing**
- **EBITDA MRI**
- Overall customer satisfaction
- No. of complaints per 1,000 properties per year
- % rent loss from empty properties
- Income collected as a % of income due
- **New supply delivered %**[1]
- % satisfaction with repairs delivered (transactionalmeasure)
- **Reinvestment %**[1]
- % of transactions through our MyWandle digital channels

1 Metrics shown in **bold** are set by the Regulator of Social Housing
2 Metrics shown in *italics* are our internal measures which cannot be readily benchmarked against other housing providers

2 Evaluate our services and assets to optimise their economy, efficiency and effectiveness.

New property development

Our new homes growth strategy seeks to deliver well designed, sustainable, safe and affordable homes in south London. The strategy is supported by three growth principles; strategic fit, financial viability and risk/deliverability.

Our financial viability principles help to ensure we deliver homes which provide good value for money. Development opportunities are prioritised using these principles to ensure investment is targeted effectively.

Existing property appraisals

When a property becomes empty, we carry out a VFM review of the property. This focuses on three different elements:

a. High maintenance costs – disposal will be considered if the property will generate low surpluses or make losses over the long term and is difficult to repair for our customers.

b. Poor Net Present Value (NPV) – where the NPV of the property is low due to a combination of high costs and low income. In practice this is often linked to point a).

c. High value – where the property can be sold on the open market and the proceeds used to make further investments into Wandle's properties or services.

Appraising our services

Wandle regularly reviews the way it delivers services to determine the optimum delivery mechanism for each service.

Over the last 18 months we have expanded our in-house responsive repairs service to take on a greater proportion of Wandle's maintenance delivery with the aim of increasing customer satisfaction with repairs. However, we have faced some challenges in recruiting operatives and embedding new processes and practices, which has caused a reduction in customer satisfaction. To address this, we have established a Repairs Steering Group, which is working with the Director of Maintenance and the Head of Repairs to streamline repairs processes and collect feedback from our customers to help us improve their experience of Wandle's repair service.

We have continued to develop our in-house disrepair legal team, enabling us to generate £600,000 savings compared to an equivalent outsourced service.

3 Work with high performing partners, contractors and suppliers, selected and retained to enhance the services we provide to our customers.

In October 2022 we started to explore options for insourcing our procurement service, which at that time was outsourced. We identified an opportunity to set up a shared procurement service with other housing associations and are currently developing this with two other providers.

In the meantime, we recruited an in-house procurement team, which took on Wandle's procurement function from September 2023. We intend to transfer the staff to the new shared service when it is established.

We generated initial savings of £100,000 from in-sourcing our procurement team. We should achieve further savings once we have established the shared service, as we leverage the financial benefits of joint procurements, and deliver cost effective services for our customers.

4 Reinvest the financial returns we make from achieving our VFM objectives to optimise the economy, efficiency and effectiveness of our services and assets over the longer term (30 years).

It is vital that our VFM Strategy provides the capacity for Wandle to make future investments into its homes and services.

The VFM metric 'Earnings before Interest, Depreciation and Amortisation (Major Repairs Included)' – EBITDA (MRI) gives a good indication of our capacity to make investments each year from our core operating surplus, discounting surpluses from any property sales.

However, like many housing providers, we are facing a wide range of cost pressures, from fire safety remediation works to achieving net zero carbon targets for our properties by 2050. We have therefore decided to relax our EBITDA (MRI) ratio targets for the next three years to accommodate additional investment in our properties and services. We will still maintain significant buffers against our interest cover covenants.

Value for money

Our approach to VFM benchmarking and setting targets

We have selected the L12 group of medium sized housing providers in London as our peer group for performance benchmarking, as most of the members of the group are of a similar size and broadly similar stock tenure to Wandle.

The group works collaboratively, often sharing performance information and underlying issues openly, to a depth not available within benchmarking forums. This enables members to target improvements based on best practice shared within the group.

In the table below we have measured ourselves against the metrics in the Regulator for Social Housing's (RSH) Value for Money Standard and Code. We have compared ourselves to latest available national data (2020/21 global accounts) and the median performance of the L12 Group.

Regulatory VFM KPIs

Category	2021/22	2022/23	2023/24	2024/25	National 2022/2023			Peer Group 2022/23*
	Actual	Actual	Actual	Projected	Lower	Median	Upper	Median
Reinvestment	1.06%	1.63%	2.46%	6.50%	4.30%	6.70%	9.40%	3.65%
New supply	0.32%	0.48%	0.19%	0.60%	0.60%	1.30%	2.20%	0.60%
Gearing	31%	29%	29%	29%	33%	45%	54%	46%
EBITDA MRI	80%	79%	60	51%	89%	128%	169%	46%
Headline social housing cost per unit	£5,759	£6,134	£7,636	£7,652	£4,082	£4,586	£5,847	£7,218
Operating margin – Social Housing Lettings	22%	19%	11%	20%	14%	20%	26%	12%
Operating margin overall	20%	16%	12%	20%	12%	18%	23%	13%
Return on Capital Employed (ROCE)	2.66%	3.51%	3.51%	3.20%	2.20%	2.80%	3.60%	2.00%

* Our peer group, the L12, is a group of medium-sized, London-based, housing associations: Croydon Churches (ccha), Eastend Homes, Gateway, Hexagon, isha, Karibu, Look Ahead, Newlon, Phoenix, Poplar HARCA, RHP and Wandle.

Reinvestment and new supply

Reinvestment is a measure of our financial investment in new and existing properties in the year, shown as a percentage of our total financial investment in properties at the beginning of the year. New supply is the percentage increase in number of properties owned.

Our levels of reinvestment and new development were below the sector and peer group average in 2023/24, as we continued to transition from a planned pause in our new development programme. However, in line with our new homes growth strategy, our new supply ratio is forecast to increase rapidly in 2024/25, with 35 homes in development and a further 30 acquisitions planned in the year.

This increase in delivery, along with a forecast net investment of £4.2m in a programme of fire remediation work in response to the government's building safety legislation, is projected to increase our reinvestment ratio to 6.5% in 2024/25, in the third quartile using national benchmarking for 2022/23, and well above the 2022/23 median for our peer group.

Gearing

Gearing is net debt as a percentage of the cost of our assets.

As the table shows, our gearing ratio is strong when compared to our peer group and is in the top quartile based on national benchmarking. Our gearing ratio is forecast to remain strong over both the short and longer term.

EBITDA (MRI) and headline social housing cost per unit

EBITDA (MRI); Earnings before interest, tax, depreciation, amortisation (major repairs included) as a percentage of interest payable.

In common with many other housing providers, Wandle has been facing significant financial challenges in meeting the government's fire and building safety requirements which have been introduced since Grenfell. We are committed to spending an estimated £33m (£27m net) to remediate 14 schemes over the next four years. This expenditure will reduce our EBITDA (MRI) ratio for 2024/25, 2025/26 and 2026/27, before it is forecast to return to 100% in 2027/28. Although this will be a significant reduction in this ratio compared to 2023/24, we are projecting that we will still comfortably comply with our funding covenants.

Headline social housing cost per unit

Total social housing costs divided by the number of social housing units owned or managed at the period end.

Headline social housing cost per unit is a key measure of cost efficiency. This metric has increased by 13.8% in 2023/24. The increase in costs reflects an increase of £3.6 million to £8.4 million in planned investment in our properties, as well as an increase in costs related to day to day repairs.

We have a relatively high headline social housing cost per unit compared to national benchmarks, but we believe that our peer group analysis is the more relevant comparison, as London housing providers typically face significantly higher costs than those elsewhere in the country. We are still below the median of our peer group.

Wandle continues to target VFM savings and income generation in 2023/24. Our hybrid working model has enabled us to reduce our office costs, with the in-sourcing of our procurement team and the recruitment of an in-house disrepair team both generating cost savings.

Value for money

Operating margin – overall and for social housing

Overall Operating Margin; Overall operating surplus as a percentage of overall turnover.w

Social Housing Operating Margin; Operating surplus from social housing lettings as a percentage of turnover from social housing lettings.

Social Housing Operating Margin is a key indicator of the financial health of our core social housing business. The performance of this measure has also been significantly impacted by the increase in responsive repair costs between 2021/22 and 2023/24, an £8.4 million increase in planned investment, and an increase in provisions for fire safety remediation work in 2023/24 of £1.9 million, resulting in decreasing operating margins over the last three years.

We are in the third quartile when compared with 2022/23 national benchmarks, but others in our peer group are experiencing even greater cost pressures than Wandle, and so we are performing ahead of our peer group median.

Our overall Operating Margin includes surpluses from shared ownership sales, and the impact of any property impairments. In 2023/24 we increased the impairment of one of our development schemes by a further £1.25m.

Our overall Operating Margin measure is ahead of our peer group median and in line with the median from the national benchmarking.

Return on capital employed

Operating surplus as a percentage of total assets, less current liabilities.

This measure, at 3.35% in 2023/24, has increased by a quarter since 2021/22 due to increased surpluses from void sales and staircasing. The principal driver of these increased surpluses has been the Build More Homes programme, which contributed surpluses of £14.5 million in 2022/23 and £9.2 million in 2023/24. Offset against these increased surpluses was an increase in future provisions for fire remediation work of £1.9 million.

We are generating a higher Return on Capital Employed (ROCE) than our peer group, and we're in the second quarter nationally. It is worth noting that the level of shared ownership and other property sales has a big impact on ROCE, so housing providers with larger property sales programmes will tend to report a higher ROCE than Wandle.

Wandle's specific VFM performance indicators

We believe it is important to set and monitor VFM performance indicators which are specific to Wandle, as these can be targeted on aspects of VFM that need to be developed and improved. We have agreed a set of Wandle VFM measures as part of our revised VFM strategy;

- Overall tenant satisfaction with landlord services
- Formal complaints received per 1,000 units
- % void loss
- Income collected as a % of rent due
- % of transactions through digital channels

Our performance against these measures will be reviewed in our VFM report which will be published on our website in September 2024.

Corporate Governance

Legal Status

Wandle Housing Association Limited is a Registered Society in accordance with the Co-operative and Community Benefit Societies Act 2014. The Association has charitable objectives and is a Registered Provider of Social Housing.

Registered Society No: 19225R
Registered Provider No: L0277

Wandle Housing Association Board

The Wandle Board has ultimate responsibility for the governance and performance of Wandle and its subsidiary companies. The Board determines and directs the vision and strategy of the organisation and monitors and scrutinises its performance in delivering this. Members of the Wandle Board and its committees are listed on page 3.

At 31 March 2024 the Board comprised 12 board members, including 11 non-executives and one co-opted executive member. One of the non-executives is a resident of the Association. The Board of Management meets at least five times per year (more often if required) in order for it to operate efficiently and give the right level of attention and consideration to relevant matters. It delegates certain responsibilities to Board committees and holds several Board Workshops and a Board Awayday during the year.

The Board is responsible for appraising its performance and recruiting new members. During the year, an appraisal process was completed, and areas for training and development were identified.

The five standing Board committees are:

Audit and Risk Committee

The role of the Audit and Risk Committee is to provide assurance to the Board that Wandle has in place and operates appropriate controls to safeguard its assets, ensure financial viability and manage risks. In addition, the Committee reviews and monitors the integrity of the annual financial statements before submission to the Board. As part of this work the committee approves and monitors the work of the internal and external auditors and has a direct and regular line of communication with the auditors.

Asset Investment Committee

The role of the Asset Investment Committee is to oversee delivery of Wandle's development programme, asset management strategy and repairs service. This includes approving the procurement, development and disposal of land and property within its delegated authority limits. In addition, the Committee ensures compliance with health and safety requirements in relation to Wandle's property portfolio.

Customer Experience Committee

The role of the Customer Experience Committee is to drive service improvements for Wandle customers. The Committee monitors the associations services to customers, and reviews services from a customer focused perspective.

The committee has responsibility for ensuring the implementation of customer focused strategic objectives and delivery of the Wandle Service Offer to its customers. To give clear focus to its work, the Committee has agreed a Customer Service Strategy. Its primary goal is ensuring the effective delivery of good quality services to residents. This includes Repairs of all types, Disrepair, Building Safety, Lettings and Allocations, Resident involvement, Neighbourhood Management, and Complaints. This committee comprises of both Board and resident members.

People Committee

The role of the People Committee is to review and make decisions on matters concerning human resources (HR). This remit covers both permanent staff, and temporary employees. The Committee considers employment issues relating to the organisation, including significant staff structure and role changes, and staff terms and conditions, including remuneration. This Committee will be leading on overseeing the implementation of the digital strategy in 2024/25.

Treasury Committee

The role of the Treasury Committee is to oversee the development and delivery of Wandle's Annual Treasury Strategy. The committee also reviews the Long-Term Financial Plan and associated stress and scenario tests and mitigations, reporting these to the Board for review and approval.

The Customer Excellence Panel

In addition to the formal committees, the Board has established a panel of residents that scrutinises the Association's customer facing services, strategies and policies. The Board regards the panel as an essential element of good governance and a key body for driving improved services for all residents.

Executive Team

The Executive Team are responsible for advising on and implementing strategy and policy and ensuring the implementation of decisions made by the Board and committees. They meet formally twice a month. The members of the Executive Team are listed on page 3. Members of the Executive Team hold no interest in Wandle's share capital.

Employees

We have a strategic objective of being "An employer of choice." We want to create a great place where people are not only proud to work but feel like they belong. The leadership is committed to employee engagement and creating an inclusive place to work. We have put in place different forums and channels to ensure that employee voice shapes how we lead and manage the organisation.

We were therefore delighted that in January 2024 Wandle was awarded with the 'We invest in people' Silver Accreditation from Investors in People. This was a significant step in meeting our 'employer of choice' strategic objective.

Our Sounding Board (employee representative group), fortnightly Executive briefings, conferences, and team meetings all play a key role in ensuring that employees are listened to, and their suggestions are taken on board and actioned. The Sounding Board continues to play a critical role in championing various activities, including bringing back the social side of Wandle after the impact of the pandemic on how we interact, and national events such as Mental Health and Carers Awareness. We also engage with our recognised Trade Union – Unison who we partner with on various employee relations matters. This brings a wider perspective on employee wellbeing and engagement.

Regulatory compliance

Wandle is regulated by the Regulator of Social Housing (RSH) and is required to comply with their Economic and Consumer Standards. This includes the requirement for the Board to review and formally certify compliance with the Governance and Financial Viability Standard up until the signing of the accounts. The Board has considered compliance against the regulatory standards, up to the point of approving the accounts, and is satisfied that Wandle is compliant with the Governance and Financial Viability Standard and all other regulatory and legal requirements.

New consumer standards were introduced by the RSH in April 2024. The Board reviewed Wandle's Consumer Standards Oversight Framework at the June 2024 meeting, which identified areas where we can strengthen over the course of the next year. The Board meets all the requirements of the NHF (National Housing Federation) Code of Governance 2020, which the Board formally adopted in 2021.

In November 2023 Wandle was delighted to be awarded a G1 governance grading following the annual stability check process, through a regulatory judgement which also confirmed our V2 grade for financial viability.

In the judgement the regulator confirmed that it had received sufficient assurance through its reactive engagement to make this decision, after seeing improved oversight of services and data, and consistent improvement in delivering our key strategic objectives.

Modern slavery and human trafficking statement

The Board has approved Wandle's Modern Slavery and Human Trafficking Statement which is available on our website and details the actions we are taking to tackle modern slavery and raise awareness of the issue. Wandle is committed to ensuring that there is no modern slavery in its supply chains or in any part of the organisation.

Internal Controls

The Board has overall responsibility for establishing and maintaining the system of internal control for Wandle and for reviewing its effectiveness.

The internal control framework is designed to manage and reduce, rather than eliminate, the risk of failing to achieve business objectives. It can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss.

The Association maintains a comprehensive assurance framework which includes a high-level strategic risk register along with departmental risk registers. The framework uses the three lines of defence model and is regularly reviewed and updated.

Internal controls assurance

Wandle's Standing Orders set out the terms of reference for Wandle's Board and its committees. This includes the requirement for Board meetings to be held regularly and the schedule of matters reserved to the Board. The Board has conducted its annual review of the effectiveness of the system of internal control. The processes adopted by the Board in reviewing this together with the key elements of the control framework are set out below:

- **Fraud and Whistle-blowing**

  The Board has a policy on fraud which covers prevention, detection, and reporting; managers attended fraud awareness training during the year. In addition, a whistleblowing policy is in place that provides a framework for employees to report any wrongdoing, either internally or to an independent external body. The Audit and Risk Committee monitors fraud and whistle-blowing reports.

- **Risk Management**

  The Board confirms there is an ongoing process for identifying, evaluating, and monitoring significant risks faced by Wandle. During the year, the Board continued to develop its risk management framework. The stress testing of the long-term financial plan has also been further developed. There is a formal process for reviewing and updating the risk register, which is regularly reported to the Audit and Risk Committee and Board. In addition, the Audit and Risk Committee conducts regular deep dives on key risks and the Board holds an annual risk workshop.

- **Internal Audit**

  Wandle's internal audit programme is designed with a clear link to the risk register and is overseen and monitored by the Audit and Risk Committee, who review all internal audit reports. Internal auditors oversee the tracking of internal audit actions and spot check completed actions. This provides additional independent assurance to the Audit and Risk Committee.

- **Strategies, Policies and Procedures**

  Wandle has a framework of strategies, policies, and procedures, many of which cover internal controls. These include Standing Orders, health and safety, accounting, and treasury. In addition, it has a code of conduct for employees which sets out probity requirements as well as employment procedures which ensure that employees are suitably qualified to manage activities and risk. During the period, the Board reviewed the following strategies and policies:

  - Annual Treasury Strategy

- Anti-Money Laundering Policy
- Board Grievances Policy
- Equity Loans Consumer Policy
- Modern Slavery Statement
- Rent Policy
- Service Charge Policy

- **Information and Financial Reporting Systems**
  The Board reviews and approves a long-term financial plan and budget each year and monitors these by way of quarterly management accounts and forecasts for the remainder of the financial year. Members also review detailed performance reports on a quarterly basis, monitoring the achievement of key business objectives, targets, and outcomes.
- **Data privacy**
  Wandle has a Data Protection Policy, Information Security Policy and a suite of procedures in place to embed data privacy across the business.

Internal Control Effectiveness

The Board has reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2024, and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss, which require disclosure in the financial statements.

Annual General Meeting

The Annual General Meeting will be held on 25 September 2024.

Auditors

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution for the reappointment of Beever and Struthers as auditors of the Association is to be proposed at the forthcoming Annual General Meeting.

Board member responsibilities

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

The Co-operative and Community Benefit Society Act requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 which is the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs and the income and expenditure of the Group and Association for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group's financial statements comply with the Co-operative and Community Benefit

Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and taking steps to prevent and detect fraud and other irregularities.

Board member skills, experience and diversity

The Board is comprised of members with a range of different skills, experience, and backgrounds. The association keeps a member skills matrix to ensure that the Board has a good range of relevant skills sets. We publish information about all of our Board members on our website and this provides an insight into what each member brings to the Board.

We collect information about the diversity of our Board, as part of our commitment to ensuring that the organisation is representative of the diversity of the communities we serve.

As of 31 March 2024, the Board consisted of five female and seven male members, with a range of different religions and ethnic backgrounds represented. Two of our Board members identify as gay and two identify as having a disability.

Going concern

The Board has approved the 2023/24 budget and Long-Term Financial Plan (LTFP) which forecasts beyond a year from the date of signing of the Financial Statements. As part of the updates to the LTFP we perform a range of stress tests, including: Regulatory rent caps, market disruption events including extraordinary inflation, corporate risks aligned to the Corporate risk register and combinations of all three. The results show the plan remains resilient.

The budget is being used to manage the financial position during 2023/24 and the LTFP is ensuring future viability is maintained for the future. Senior Management and Executive consistently monitor performance, which includes regular treasury and management reporting, and covenant monitoring.

Wandle maintains a strong liquidity position to manage uncertainty, with £116 million (£125 million March 2023) of liquidity available for the coming year.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board, therefore, considers it appropriate for the Financial Statements to be prepared on a going concern basis.

Financial statements are published on Wandle's website in accordance with UK legislation governing the preparation and dissemination of financial statements. The Board is responsible for the maintenance and integrity of the corporate and financial information included on Wandle's website.

By order of the Board
Valerie Vaughan-Dick, MBE | Chair
24 July 2024

Opinion
We have audited the financial statements of Wandle Housing Association Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Changes in Reserves, Group and Association Statement of Financial Position, and Group Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

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

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

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

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters 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:

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

Responsibilities of the Board
As explained more fully in the Statement of Board's Responsibilities set out on page 30, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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

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

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2023, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Chartered Accountants
Statutory Auditor

150 Minories
London EC3N 1LS

Date: 24 July 2024

Statement of comprehensive income for the year ended 31 March 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Turnover	3	**61,151**	55,907	**61,151**	55,907
Cost of sales	3	**(925)**	(472)	**(925)**	(472)
Operating costs	3	**(53,163)**	(46,410)	**(53,163)**	(46,410)
Surplus on sale of fixed assets	3,5	**14,424**	23,289	**14,424**	23,289
Movement in fair value of investment property	3	**(147)**	**(60)**	**(147)**	**(60)**
Operating surplus		**21,340**	32,254	**21,340**	32,254
Gift aid received		**-**	-	**45**	157
Interest receivable and similar income	6	**3,188**	909	**3,188**	909
Interest payable and similar charges	7	**(13,983)**	(14,276)	**(13,983)**	(14,276)
Movement in fair value of financial instruments		**(7,060)**	5,170	**(7,060)**	5,170
Surplus on ordinary activities before tax	10	**3,485**	24,057	**3,530**	24,214
Tax on surplus on ordinary activities	11	**-**	-	**-**	-
Surplus after tax for the year		**3,485**	24,057	**3,530**	24,214
Other comprehensive income					
Changes in fair value of hedged financial instruments	7	**9,112**	14,846	**9,112**	14,846
Actuarial gains / (losses) on defined benefit pension scheme	29	**(766)**	(835)	**(766)**	(835)
Total comprehensive income		**11,831**	38,068	**11,876**	38,225

All activities are continuing.

The notes on pages 48 to 75 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Management on 24 July 2024 and signed on behalf of the Board of Management.

Valerie Vaughan-Dick	**Paul Phillips**	**Iain Turner**
Chair of Board	**Chair Audit and Risk Committee**	**Company Secretary**

Statement of changes in reserves for the year ended 31 March 2024

Group	**Hedge reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Total reserves at 1 April 2022	(16,117)	197,422	181,305
Surplus for the year	-	24,057	24,057
Movement in the fair value of financial instruments	14,846	-	14,846
Actuarial loss on defined benefit pension scheme	-	(835)	(835)
Total reserves at 31 March 2023	**(1,271)**	**220,644**	**219,373**
Surplus for the year	-	3,485	3,485
Movement in the fair value of financial instruments	9,112	-	9,112
Actuarial gain on defined benefit pension scheme	-	(766)	(766)
Total reserves at 31 March 2024	**7,841**	**223,363**	**231,204**

Association	**Hedge reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Total reserves at 1 April 2022	(16,117)	205,513	189,396
Surplus for the year	-	24,214	24,214
Movement in the fair value of financial instruments	14,846	-	14,846
Actuarial gains on defined benefit pension scheme	-	(835)	(835)
Total reserves at 31 March 2023	**(1,271)**	**228,892**	**227,621**
Surplus for the year	-	3,530	3,530
Movement in the fair value of financial instruments	9,112	-	9,112
Actuarial loss on defined benefit pension scheme	-	(766)	(766)
Total reserves at 31 March 2024	**7,841**	**231,656**	**239,497**

The notes on pages 48 to 75 form part of these financial statements.

Statement of financial position at 31 March 2024

Registered Society number 19225R

	Notes	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed assets					
Intangible assets	12	**1,704**	2,331	**1,704**	2,331
Tangible fixed assets – housing properties	13	**850,244**	846,685	**858,630**	855,000
Tangible fixed assets – other	14	**476**	614	**476**	614
Investment properties	15	**5,213**	6,260	**5,213**	6,260
Investments – Finance loans & Equity investments	17	**335**	335	**335**	335
Investments – Home buy loans	18	**1,744**	1,744	**1,744**	1,744
Total fixed assets		**859,716**	857,969	**868,102**	866,284
Current assets					
Properties for sale	19	**4,626**	6,954	**4,626**	6,954
Debtors	20	**12,369**	5,260	**12,264**	5,127
Cash and cash equivalents	21	**68,045**	75,098	**68,038**	75,074
		85,040	87,312	**84,928**	87,155
Creditors – amounts falling due within one year	22	**(22,886)**	(23,851)	**(22,867)**	(23,761)
Net current assets		**62,154**	63,461	**62,061**	63,394
Total assets less current liabilities		**921,870**	921,430	**930,163**	**929,678**
Creditors – amounts falling due after more than one year	23	**(682,643)**	**(696,045)**	**(682,643)**	**(696,045)**
		(682,643)	**(696,045)**	**(682,643)**	**(696,045)**
Provisions for liabilities					
Pension liability	29	**(4,029)**	(3,983)	**(4,029)**	(3,983)
Other provisions	30	**(3,994)**	(2,029)	**(3,994)**	(2,029)
		(8,023)	(6,012)	**(8,023)**	(6,012)
Total assets less total liabilities		**231,204**	**219,373**	**239,497**	**227,621**
Capital and reserves					
Non equity share capital	31	**-**	**-**	**-**	**-**
Revenue reserves		**223,363**	**220,644**	**231,656**	**228,892**
Hedge reserves		**7,841**	**(1,271)**	**7,841**	**(1,271)**
Total capital and reserves		**231,204**	**219,373**	**239,497**	**227,621**

The notes on pages 48 to 75 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Management on 24 July 2024 and signed on behalf of the Board of Management.

Valerie Vaughan-Dick	**Paul Phillips**	**Iain Turner**
Chair of Board	**Chair Audit and Risk Committee**	**Company Secretary**

Group cashflow statement for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Cashflow from operating activities			
Operating cashflows	32	**27,242**	31,425
Cashflow from investing activities			
Construction of properties		**(14,978)**	(8,967)
Investment in intangible assets	12	**(201)**	(212)
Purchase of other fixed assets	14	**(282)**	(553)
Interest received	6	**3,188**	909
Net cash used in investing activities		**(12,273)**	(8,823)
Cashflow form financing activities			
New borrowings		**20,000**	12,351
Repayment of borrowings		**(28,039)**	-
Interest paid		**(13,983)**	(14,276)
Net cash used in financing activities		**(22,022)**	(1,925)
Net (decrease) / increase in cash and cash equivalents		**(7,053)**	20,677
Cash and cash equivalents at beginning of the year		**75,098**	54,421
Cash and cash equivalents at end of the year		**68,045**	75,098
Cash and cash equivalents consist off:			
Cash at bank, cash in hand, short-term investments & deposits	21	**68,045**	75,098
Total cash and cash equivalents at 31 March		**68,045**	75,098

The notes on pages 48 to 75 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

Wandle Housing Association (the "Association") is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. It is a public benefit entity.

The Association and the Group (which includes the Association and its subsidiaries Ravensbourne Developments Limited, Delta Homes Limited and Unitworthy Property Management Limited) are incorporated in England. These consolidated financial statements are presented with amounts rounded to GBP thousands. GBP is the Group and Association's functional currency.

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

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Disclosure exemptions

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Association would be identical;
- No cash flow statement has been presented for the Association
- Disclosures in respect of the Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Association as their remuneration is included in the totals for the Group

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the Association and its subsidiaries Ravensbourne Developments Limited and Delta Homes Limited and Unitworthy Property Management Limited as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going concern

The Board has approved the 2024/25 budget and Long-Term Financial Plan which forecasts beyond a year from the date of signing of the Financial Statements. As part of the updates to the Long-Term Financial Plan we perform stress tests, including: Regulatory Intervention including rent caps, Market disruption events including extraordinary inflation, Corporate risks aligned to the Corporate risk register and combinations of all three. The results show the plan remains resilient.

The budget is being used to manage the financial position during 2024/25 and the LTFP is ensuring future viability is maintained for the future. Senior Management and Executive consistently monitor performance, which includes: regular treasury and management reporting, and covenant monitoring.

Wandle maintains a strong liquidity position to manage uncertainty, with £116 million (2023: £125 million) of liquidity available for the coming year.

Therefore, whilst uncertainty exists, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board, therefore, considers it appropriate for the Financial Statements to be prepared on a going concern basis.

Income

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 housing properties developed for sale
- service charges receivable
- income from Homebuy activities
- revenue grants

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met. Income from deferred capital grants is recognised in a systematic basis over the useful economic life of the asset (usually the property's structure) for which it was received.

Service charges

The Group adopts the variable method for calculating and charging service charges to its leaseholders and shared owners and the fixed method for calculating and charging service charges to its tenants. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable with any surplus or deficit adjusted against the following years charge.

Management of units owned by others

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

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Taxation

The Association is an exempt charity and its activities do not generally give rise to a tax liability. The Association's subsidiaries, Delta Homes Limited and Ravensbourne Developments Limited, do not have charitable objects and are subject to taxation. However, no charge to taxation arises on the results of the subsidiary undertakings as all profits are paid across to the Association via Gift Aid.

Value added tax

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. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated facility and are amortised over the life of the facility.

Pension costs

The Group participates in a defined contribution scheme where the amount charged to the Income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The group also participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group can recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

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

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

Tangible fixed assets - Housing properties

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

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Directly attributable administration costs include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are under construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

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

Mixed developments are held within fixed assets – housing properties are accounted for at cost less depreciation. Commercial elements of mixed developments are held as investment properties.

Housing properties under construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible fixed assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

When housing properties are developed for sale to another social landlord, the cost is dealt with in current assets under housing properties and stock for sale.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount (as adjusted for impairment as appropriate) and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the statement of comprehensive income.

Depreciation of housing property

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

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

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

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

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

Description	Economic useful life (years)
Structures	125
Kitchens	20
Bathrooms	30
Windows	30
Electrical wiring	30
Roofs	60
Boilers	15
Lifts	25
Central Heating Systems (excluding Boilers)	20
Fire Compartmentalisation	15

Fire remediation work will be capitalised when it;

- ☐ Is a new cost integral to operating the asset in the manner intended by management;
- ☐ Is a new cost integral to meeting regulatory requirements for the asset to remain in use;
- ☐ Meets normal capitalisation requirements – by generating increased income;
- ☐ Meets normal capitalisation requirements – by reducing future maintenance costs;
- ☐ Meets normal capitalisation requirements – by significantly extending useful economic life.

During the year ended 31 March 2024 there has been expenditure of approx. £1.3 million (2023: £0.2 million) which relates to compartmentalisation of ceilings, walls, roofs and cellars as a fire-retardant measure. This expenditure has been capitalised and is consistent with historic treatment.

This work is anticipated to have a useful life concurrent with that of the component.

Shared ownership properties and staircasing

Under low-cost home ownership arrangements, the Group disposes of a long lease on low-cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed. The exercise of this right to purchase additional shares in the property is known as 'staircasing'.

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover. The remaining proportion is classed as a fixed asset and included in completed housing property at cost less any provision for impairment. Sales of subsequent tranches (staircasing) will be treated as a part disposal of fixed assets.

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

Allocation of costs for mixed tenure and shared ownership developments

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

Tangible fixed assets – Other

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

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

Depreciation of other tangible fixed assets

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

Asset Category	Years
Freehold Offices	25
Leasehold Improvements	5
Computer Equipment	3
Major Business System / Database	5 - 20 (specific to system)
Motor Vehicles	3
Other Assets, Office and Estate Equipment	4

Recycled capital grant fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the Regulator of Social Housing (RSH) 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. Any grant which has not been used within a three-year period will be repayable to the RSH with interest. Any 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 balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. They are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure. Rental income from these properties is taken to revenue.

Impairment of fixed assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impaired value at each reporting date. Where indicators are identified, assets are grouped into Cash Generating Units (CGUs), which are typically housing schemes (several smaller schemes may be grouped geographically into a single CGU). A detailed assessment is then undertaken to determine each CGUs recoverable amount.

The recoverable amount will be the higher of;

- fair value less costs to sell or;
- Existing Use Valuation for Social Housing (EUV-SH) or;
- Value in Use (in respect of assets held for their service potential) (VIU-SP). As allowed by Housing SORP 2014 the Group uses Depreciated Replacement Cost (DRC) as a reasonable estimate of VIU-SP.

Where the carrying amount of an asset or CGU is deemed to exceed its recoverable amount, and it has previously had an increase in its value credited to the Revaluation Reserve, the resulting impairment loss is recognised in other comprehensive income. However, if an impairment loss exceeds the accumulated revaluation gains in the Revaluation Reserve for an asset or CGU, the excess will be recognised in the Statement of Comprehensive Income.

Properties held for sale

Properties held for sale are completed properties, including housing properties developed for transfer to other registered providers; properties developed for outright sale and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

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

An assessment of 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 Comprehensive 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.

Financial instruments

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of a financial instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. After initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in Other operating expenses.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor based on these estimates.

Concessionary loans

Concessionary loans are those loans made or received by the Group that are made:

- To further its public benefit objectives,
- At a rate of interest which is below the prevailing market rate of interest

These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

The Group has several arrangements that are considered to be concessionary loans:

Homebuy

Under the Homebuy scheme and the Key Worker Living Initiative, the Group receives Social Housing Grant representing a percentage of the open market purchase price of a property in order to advance interest-free loans to a homebuyer.

Easybuy

Easybuy loans are shared equity loans secured by way of a second charge on the property where the buyer could purchase the home at 85% of its value, with Wandle retaining a 15% charge against the title. The loans can be repaid at any time within the

loan agreement, the amount of which is dependent on the market value of the property at the date of repayment. The assets are recorded at fair value, being the estimated amount receivable by the group, discounted to present day values. Interest is payable after 5 years and the 15% charge becomes payable to Wandle when the homeowner chooses to sell their property.

Rent and service charge agreements

The Group sometimes plans with individuals and households for deferred payments of rent and service charge arrears. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and short-term deposits

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Derivative instruments and hedge accounting

The Group holds floating rate loans which expose the Group to interest rate risk; to mitigate against this risk the Group uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt. To the extent the hedge is effective, movements in fair value, other than adjustments for own or counterparty credit risk, are recognised in Other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counterparty credit risk are recognised as income and expenditure.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical judgements in applying the Group's accounting policies

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

- Determining categorisation of financial instruments. Distinguishing between basic and non-basic accounting treatment of financial instruments for the purposes of FRS 102, chapters 11 & 12.
- Impairment of properties. After capitalisation, management monitors the project and considers whether events indicate that an impairment review is required. Management also reassesses the carrying value at the reporting date of any previously impaired properties which may result in the release or adjustment of a previously held impairment.
- Capitalisation of property development costs. Distinguishing the point at which a project is more likely than not to complete, allowing capitalisation of development costs requires judgement.
- Determining whether the changes in terms of a debt instrument are sufficiently significant to be considered substantial, judgement is required to decide whether the changes in a debt instrument's terms following the renegotiation of its terms are sufficiently significant to warrant the original loan to be derecognised and a new loan recognised.
- The appropriate allocation of costs for mixed tenure developments.
- The allocation of costs relating to shared ownership between current and fixed assets. Whether surplus/ (deficit) on disposal of housing properties represents an operating surplus. We consider the development and sale of shared ownership properties to be part of our trading activities, including subsequent tranche sales. We anticipate shared ownership properties to staircase over time as part of our business model and trading activity.

b. Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates by definition, will mean that estimates may not equal the related results.

Tangible fixed assets (see notes 13 and 14)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In reassessing asset lives, factors such as condition and remaining years of economic benefits are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Determining whether an impairment review is required

Determining whether there are indicators of impairment of the Group's tangible assets requires judgement. The following are considered to be indicators of impairment, but other events may also indicate that an impairment review is required:

- ☐ A contamination or similar issue that was not identified as part of a development appraisal which results in a material increase in the cost of the development;
- ☐ A change in government policy, regulation or legislation;
- ☐ A reduction in demand for a property (either by type or location, possibly evidenced by increased voids);
- ☐ A reduction in the market value of shared ownership properties;
- ☐ Obsolescence of a property.

Pensions

The liability for future pension payments depends on several complex judgements, relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase and mortality rates. Qualified actuaries are engaged to provide expert advice for the pension schemes for which Wandle is a member. More detail is available in note 30.

Provisions

Fire safety remediation provision

The Regulatory reform fire safety order, 2005, creates an obligation on Registered Providers to carry out risk assessments: to identify, manage and reduce the risk of fire. The fire safety regime has been evolving since the Grenfell fire, resulting in the new Fire Safety Act.

A provision for fire safety remediation works (cladding and balconies) of £4.0 million (2023: £2.0 million) is included in 2024 Operating Costs. The provision was made after using appropriate judgments to determine whether FRS 102 requirements were met:

- ☐ The total cost for fire remediation and fire safety works where an expectation had been established for residents that works would be undertaken. The cost estimates were based on an analysis by consultant surveyors and further assessment from the Association's Asset Management Team.
- ☐ As part of the FRS 102 recognition process, alternatives to remediation were considered, but these were discounted as not being viable options;
- ☐ Consideration if costs were revenue or capital in nature according to Wandle's accounting policies;
- ☐ Recovery of cost from Homes England grants or leaseholders, following required consultation.

3. Turnover, operating cost, operating surplus - Group

					2024					**2023**
	Turnover	**Cost of sales**	**Operating costs**	**Other operating items**	**Operating surplus**	**Turnover**	**Cost of sales**	**Operating costs**	**Other operating items**	**Operating surplus**
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	£'000
Social housing Lettings										
General needs	49,645	-	(43,778)	-	**5,867**	46,459	-	(37,864)	-	**8,295**
Shared ownership	6,585	-	(6,351)	-	**234**	6,191	-	(4,950)	-	**1,241**
Supported housing	1,338	-	(1,236)	-	**102**	1,259	-	(905)	-	**354**
Other affordable	680	-	(226)	-	**454**	546	-	(206)	-	**340**
	58,248	-	(51,591)	-	**6,657**	54,155	-	(43,925)	-	**10,230**
Other social housing Activities										
Development administration	-	-	(164)	-	**(164)**	-	-	(348)	-	**(348)**
Impairment of properties developed for sale	-	-	(1,251)		**(1,251)**			(2,130)		**(2,130)**
First tranche shared ownership sales	2,157	(925)	-	-	**1,232**	477	(472)	-	-	**5**
Home buy & easy buy loan redemptions	-	-	-	-	**-**	72	-	-	-	**72**
Other	448	-	-	-	**448**	897	-	-	-	**897**
Surplus on sale of fixed assets	-	-	-	14,424	**14,424**	-	-	-	12,059	**23,289**
	2,605	(925)	(1,415)	14,424	**14,689**	1,446	(472)	(2,478)	12,059	**21,785**
Non-social housing Activities										
Commercial rent & development fees	253	-	(156)	-	**97**	283		(10)	-	**273**
Market rent	45	-	(1)	-	**44**	23	-	3	-	**26**
Movement in fair value of investment properties	-	-	-	(147)	**(147)**	-	-	-	(60)	**(60)**
	298	-	(157)	(147)	**(6)**	265	-	(34)	(60)	**239**
	61,151	**(925)**	**(53,163)**	**14,277**	**21,340**	**55,907**	**(472)**	**(46,410)**	**23,229**	**32,254**

3. Turnover, operating cost, operating surplus - Association

	Turnover	Cost of sales	Operating costs	Other operating items	2024 Operating surplus	Turnover	Cost of sales	Operating costs	Other operating items	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings										
General needs	49,645	-	(43,778)	-	**5,867**	46,159	-	(37,864)		**8,295**
Shared ownership	6,585	-	(6,351)	-	**234**	6,191	-	(4,950)		**1,241**
Supported housing	1,338	-	(1,236)	-	**102**	1,259	-	(905)		**354**
Other affordable	680	-	(226)	-	**454**	546	-	(206)		**340**
	58,248	-	(51,591)	-	**6,657**	54,155	-	(43,925)		**10,230**
Other social Housing Activities										
Development administration	-	-	(164)	-	**(164)**	-	-	(348)	-	**(348)**
Impairment of properties developed for sale	-	-	(1,251)		**(1,251)**	-	-	(2,130)	-	**(2,130)**
First tranche shared ownership sales	2,157	(925)	-	-	**1,232**	477	(472)	-	-	**5**
Home buy & easy buy loan redemptions	-	-	-	-	**-**	72	-	-	-	**72**
Other	448	-	-	-	**448**	897	-	-	-	**897**
Surplus on sale of fixed assets	-	-	-	14,424	**14,424**	-	-	-	23,289	**23,289**
	2,605	(925)	(1,415)	14,424	**14,689**	1,446	(472)	(2,478)	23,289	**21,785**
Non-social housing activities										
Commercial rent & development fees	253	-	(156)	-	**97**	283	-	(10)	-	**273**
Market rent	45	-	(1)	-	**44**	23	-	3	-	**26**
Movement in fair value of investment properties	-	-	-	(147)	**(147)**	-	-	-	(60)	**(60)**
	298	-	(157)	(147)	**(6)**	306	-	(7)	(60)	**239**
	61,151	**(925)**	**(53,163)**	**14,277**	**21,340**	**55,907**	**(472)**	**(46,410)**	**23,229**	**32,254**

4. Income & expenditure from social housing lettings – Group & Association

	General needs	Shared ownership	Supported housing	Key worker and intermediate	2024 Total	General needs	Shared ownership	Supported housing	Key worker and intermediate	2023 Total
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	**£'000**
Turnover from Social Housing Lettings										
Rents receivable net of identifiable service charges	43,030	4,237	1,060	637	48,964	40,078	4,068	1,001	513	**45,660**
Service charges receivable	3,397	2,157	271	43	**5,868**	2,837	1,928	251	33	**5,049**
Amortisation of deferred grants	3,218	191	7	-	**3,416**	3,244	195	7	-	**3,446**
	49,645	6,585	1,338	680	**58,248**	46,159	6,191	1,259	546	**54,155**
Expenditure Social Housing Lettings										
Management	18,029	1,850	447	171	**20,497**	13,654	1,558	334	141	**15,687**
Service charge costs	3,271	2,455	604	40	**6,370**	3,854	1,499	360	26	**5,739**
Responsive maintenance	8,176	49	94	10	**8,329**	7,156	79	174	1	**7,410**
Major repairs	3,690	1,965	77	5	**5,737**	3,743	1,142	76	5	**4,966**
Cyclical repairs	1,350	-	-	-	**1,350**	579	625	-	-	**1,204**
Rent losses from bad debts	82	32	(4)	-	**110**	(215)	47	(57)	(1)	**(226)**
Depreciation of housing properties	9,180	-	18	-	**9,198**	9,093	-	18	34	**9,145**
	43,778	6,351	1,236	226	**51,591**	37,864	4,950	905	206	**43,925**
Operating surplus on social housing letting activities	5,867	234	102	454	**6,657**	8,295	1,241	354	340	**10,230**
Void losses (included in the above)	197	-	32	41	**270**	513	-	165	59	**737**

5 Surplus on sale of fixed assets

Group

	Shared ownership	Right to acquire	Other disposals	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Proceeds of sale	4,253	1,150	17,882	23,285	31,089
Cost of sales – fixed assets	(2,551)	(301)	(6,009)	(8,861)	(7,800)
Surplus for the year	1,702	849	11,873	14,424	23,289

Association

	Shared ownership	Right to acquire	Other disposals	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Proceeds of sale	4,253	1,150	17,882	23,285	31,089
Cost of sales – fixed Assets	(2,551)	(301)	(6,009)	(8,861)	(7,800)
Surplus for the year	1,702	849	11,873	14,424	23,289

6 Interest receivable & Other Income

	Group 2024	Group 2023	Association 2024	Association 2023
	£'000	£'000	£'000	£'000
Bank interest receivable	3,188	909	3,188	909

7 Interest payable

	Group 2024	Group 2023	Association 2024	Association 2023
	£'000	£'000	£'000	£'000
Bank loans and other loans repayable:				
Wholly or partly repayable in less than 5 years	970	956	970	956
Wholly or partly repayable in more than 5 years	14,700	11,815	14,700	11,815
	15,670	12,771	15,670	12,771
Net interest payable on interest rate swaps	(1,847)	1,593	(1,847)	1,593
Less: Interest capitalised	(582)	(406)	(582)	(406)
	13,241	13,958	13,241	13,958
Interest payable to subsidiary undertakings	-	-	-	-
Recycled capital grant Fund	569	216	569	216
Pension interest	173	102	173	102
	13,983	14,276	13,983	14,276
Other financing costs through other comprehensive income				
Changes in fair value of hedged financial instruments	9,112	14,846	9,112	14,846

8 Directors emoluments

The remuneration paid to the Board of Management, the Chief executive and any officer who is a member of the executive management team is as follows:

	2024 £'000	2023 £'000
Total emoluments paid to the Board of Management	89	85
Total emoluments paid to the Directors, including interim directors (including pension contribution)	900	868
Emoluments of the Chief Executive (excluding pension contribution)	194	169

As a member of the Social Housing Pension Scheme (SHPS), the pension entitlement of the Chief Executive is identical to those of other members.

The total payments & accruals made to Campbell Tickell for the services of Interim Director of Maintenance from 1 April 2023 to 31 March 2024 were nil (2023: £60k).

Non-Executive Board members were paid as follows:

	2024 £	2023 £
Valerie Vaughan-Dick	14,368	13,104
Andrew Mcwilliams	8,955	8,758
James Pennington	8,553	8,645
Zoe Shaw	8,955	8,386
Paul Phillips	8,553	8,060
Ashley Horsey	-	7,388
Joanna Hills	6,307	5,720
Stephen Dickinson	6,307	5,720
Moorad Choudhry	6,307	5,720
John Baldwin	6,307	5,720
Teresa Ocansey	-	4,290
Julie Blair	8,553	2,015
Justin Gyphion	6,307	1,430
	89,472	84,957

Expenses paid to the Board of Management for reimbursement of travel £209 (2023: £499).

9 Employees' information

	2024 Number	2023 Number
The average number of employees expressed in full time equivalents during the year was:	217	185
	£'000	£'000
Staff Costs (for the above persons):		
Wages and salaries	9,997	8,638
Social security costs	1,037	874
Pension costs	381	299
	11,415	9,811

Salary banding for all management and other employees earning over £60,000 (including salaries, performance related pay and benefits in kind, but excluding pension contributions paid by the employer and any termination payments), including those who form the Executive Management and Senior Management Teams are as follows;

Salary Bands	2024 Number	2023 Number
£60,001 to £70,000	11	8
£70,001 to £80,000	7	2
£80,001 to £90,000	4	4
£90,001 to £100,000	3	2
£100,001 to £110,000	1	1
£110,001 to £120,000	1	-
£120,001 to £130,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	2	2
£150,001 to £159,000	1	-
£160,001 to £170,000	1	1

10 Surplus on ordinary activities before tax

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
The surplus is stated after charging/(crediting) the following:				
Depreciation of housing properties	**7,933**	7,905	**7,933**	7,905
Depreciation of other tangible fixed assets	**420**	82	**420**	82
Accelerated depreciation on components	**1,265**	1,240	**1,265**	1,240
Amortisation of software	**780**	691	**780**	691
Impairment of properties developed for sale	**1,251**	2,130	**1,251**	2,130
Office lease charges	**416**	629	**416**	629
Amortisation of deferred capital grants	**(3,416)**	(3,447)	**(3,416)**	(3,447)
Auditors' remuneration (excluding VAT & expenses)				
In their capacity as auditors	**91**	86	**80**	75
In respect of other services	**22**	21	**22**	21

The 2024 impairment charge of £1,265,000 (2023: £2,130,000) relates to housing stock to be sold as First tranche sales.

11 Tax on surplus on ordinary activities

The parent association is an exempt charitable registered provider of social housing and no charge to corporation tax arises on its results for the year. No charge to taxation arises on the results of the subsidiary undertakings, Delta Homes Limited and Ravensbourne Development Limited as all profits are paid across to the parent via gift aid.

12 Intangible assets

Group and Association

	Housing business systems £'000
Cost	
At 1 April 2023	**3,701**
Additions	**201**
Disposals	**(48)**
At 31 March 2024	**3,854**
Amortisation	
At 1 April 2023	**1,370**
Charge for the year	**780**
At 31 March 2024	**2,150**
Net Book Value	
At 31 March 2024	**1,704**
At 31 March 2023	2,331

Intangible assets include a housing database and customer relationship management system, which Wandle is building on a Microsoft Dynamics platform.

All the building and implementation costs of the system will be capitalised until the system is fully developed. Costs will then be amortised over a 5-year period, in line with the useful life of the project.

13 Tangible fixed assets - Housing properties - Group

					Completed				Under Construction	
	General needs housing properties for letting	**Supported housing properties for letting**	**Shared ownership housing properties**	**Key worker and intermediate rent properties for letting**	**Subtotal completed housing properties**	**Housing properties for letting**	**Shared ownership housing properties**	**Key worker and intermediate rent properties**	**Subtotal housing properties under construction**	**Total**
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	**£'000**	**£'000**
Cost:										
At 1 April 2023	**789,555**	**1,230**	**125,358**	**10,093**	**926,236**	**-**	**17,285**	**6,310**	**23,595**	**949,831**
Transfers	575	-	-	325	**900**	-	-	-	**-**	**900**
Additions – properties constructed	7,187	-	2,938	-	**10,125**	-	2,356	-	**2,426**	**12,481**
Additions – works to existing properties	8,430	-	-	-	**8,430**	-	-	-	**-**	**8,430**
Disposals:					**-**	-				
- Shared ownership subsequent tranches	-	-	(2,426)	-	**(2,426)**	-	-	-	**-**	**(2,426)**
- Properties for lettings	(4,976)	-	-	-	**(4,976)**	-	-	-	**-**	**(4,976)**
- Components	(1,265)	-	-	-	**(1,265)**	-	-	-	**-**	**(1,265)**
-Other (Right to acquire)	(1,116)	-	-	-	**(1,116)**	-	-	-	**-**	**(1,116)**
At 31 March 2024	**798,390**	**1,230**	**125,870**	**10,418**	**935,908**	**-**	**19,641**	**6,310**	**25,415**	**961,859**
Depreciation:										
At 1 April 2023	102,187	194	-	765	**103,146**	-	-	-	**-**	**103,146**
Charge for the year	7,915	18	-	-	**7,933**	-	-	-	**-**	**7,933**
Disposals - components	-	-	-	-	**-**	-	-	-	**-**	**-**
Disposals - voids	-	-	-	-	**-**	-	-	-	**-**	**-**
At 31 March 2024	**110,102**	**212**	**-**	**765**	**111,079**	**-**	**-**	**-**	**-**	**111,079**
Impairment:										
At 1 April 2023	-	-	-	-	**-**	-	-	-	**-**	**-**
Charge for the year	-	-	-	**-**	**-**	-	536	-	**-**	**536**
At 31 March 2024	**-**	**-**	**-**	**-**	**-**	**-**	**536**	**-**	**-**	**536**
Net book value:										
At 31 March 2024	**688,288**	**1,018**	**125,870**	**9,653**	**824,829**	**-**	**19,105**	**6,310**	**25,415**	**850,244**
At 31 March 2023	687,368	1,036	125,358	9,328	823,090	-	17,285	6,310	23,595	846,685

13 Tangible fixed assets - Housing properties - Association

	Completed					Under Construction				
	General needs housing properties for letting	**Supported housing properties for letting**	**Shared ownership housing properties**	**Key worker and intermediate rent properties for letting**	**Subtotal completed housing properties**	**Housing properties for letting**	**Shared ownership housing properties**	**Key worker and intermediate rent properties**	**Subtotal housing properties under construction**	**Total**
	£'000	£'000	£'000	**£'000**	**£'000**	£'000	£'000	£'000	**£'000**	£'000
Cost:										
At 1 April 2023	**793,943**	**1,230**	**123,571**	**10,093**	**928,837**	**-**	**22,999**	**6,310**	**29,309**	**958,146**
Transfers	576	-	-	**325**	**901**	-	-		**-**	**901**
Additions – properties constructed	7,187	-	2,938	**-**	**10,125**	-	2,426	-	**2,426**	**12,551**
Additions – works to existing properties	8,430	-	-	-	**8,430**	-	-	-	**-**	**8,430**
Disposals:						-				
- Shared ownership subsequent tranches	-	-	(2,426)	-	**(2,426)**	-	-	-	**-**	**(2,426)**
- Properties for lettings	(4,976)	-	-	-	**(4,976)**	-	-	-	**-**	**(4,976)**
- Components	(1,265)	-	-	-	**(1,265)**	-	-	-	**-**	**(1,265)**
- Other (Right to acquire)	(1,116)	-	-	-	**(1,116)**	-	-	-	**-**	**(1,116)**
At 31 March 2024	**802,779**	**1,230**	**124,083**	**10,418**	**938,510**	**-**	**25,425**	**6,310**	**31,735**	**970,245**
Depreciation:										
At 1 April 2023	**102,186**	**195**	**-**	**765**	**103,146**	**-**	**-**	**-**	**-**	**103,146**
Charge for the year	7,915	18	-	-	**7,933**	-	-	-	**-**	**7,933**
Disposals - components	-	-	-	-	**-**	-	-	-	**-**	**-**
Disposals - voids	-	-	-	-	**-**	-	-	-	**-**	**-**
At 31 March 2024	**110,101**	**213**	**-**	**765**	**111,079**	**-**	**-**	**-**	**-**	**111,079**
Impairment:										
At 1 April 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	-	**-**	-	536	-	**536**	**536**
At 31 March 2024	**-**	**-**	**-**	**-**	**-**	**-**	**536**	**-**	**536**	**536**
Net book value:										
At 31 March 2024	**692,678**	**1,017**	**124,083**	**9,653**	**827,431**	**-**	**24,889**	**6,310**	**31,199**	**858,630**
At 31 March 2023	691,757	1,035	123,571	9,328	825,691	-	22,999	6,310	29,309	855,000

13 Tangible fixed assets (continued)

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
The net book value of completed housing properties which excludes work in progress and land purchased for future development comprises:				
Freeholds	**706,471**	704,189	**709,073**	706,790
Long leaseholds	**118,358**	118,901	**118,358**	118,901
	824,829	823,090	**827,431**	825,691

£349 million is pledged as security from Tangible fixed assets (2023: £349 million). Security pledged is defined using the definition for existing use value social housing valuation method.

	2024 £'000	2023 £'000
Major repairs capitalised/expensed: Group and Association		
Major repairs capitalised - doors, external envelope works, rewiring	**810**	1,061
Major repairs capitalised - all other categories	**7,620**	3,749
	8,430	4,810
Major repairs expensed (including cyclical repairs)	**7,087**	6,170
	15,517	10,980

Capitalised interest:	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Capitalised interest	**18,847**	18,265	**18,847**	18,265

Capitalised interest - Additions to housing properties during the year included capitalised interest of £0.582 million (2023: £0.406million). The capitalisation rate used was 3.9% (2023: 3.9%).

14 Tangible fixed assets

	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 April 2023	539	517	1,056
Additions	-	282	282
At 31 March 2024	**539**	**799**	**1,338**
Depreciation			
At 1 April 2023	26	416	442
Charge for the year	236	184	420
At 31 March 2024	**262**	**600**	**862**
Net book value			
At 31 March 2024	**277**	**199**	**476**
At 31 March 2023	513	101	614

15 Investment properties

	Group and Association 2024 £'000	2023 £'000
Commercial and market rent properties at fair value		
At 1 April	**6,260**	7,570
Transfer to stock for sale	**(900)**	(1,250)
(Decrease)/Increase in fair value	**(147)**	(60)
At 31 March	**5,213**	6,260

The investment properties are the commercial element of the office building, a small portfolio of shops and 2 homes for market rent. These were valued at 31 March 2024 by Paul Tarrant MRICS, Director and RICS Registered Valuer and David Nesbit MRICS, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

In terms of the commercial assets, the valuation adopted a rent capitalisation methodology (i.e. rent and yield approach) coupled with an assessment of what an owner-occupier might pay on a £ per sq ft basis, to arrive at an opinion of values. This is in reference to respective rental and capital market value data / sentiment. The valuers have obtained yield, capital value and rental data from commercial agents, auction sale data and commercial property data bases.

In respect of rental values, the valuation used the floor areas provided to ascertain whether the passing rent is rack rented, overrented or reversionary. JLL have applied our research on rental values to the subject properties. The yields we have adopted are bespoke to each individual commercial property.

16 Investment in subsidiary undertakings

The Association has interest in the following group entities:

Name	**Incorporation Country**	**Nature of business**	**Interest**
Ravensbourne Developments Limited (company limited by shares)	United Kingdom	Property Sales	100% ordinary shares
Delta Homes Limited (company limited by shares)	United Kingdom	Property Development	100% ordinary shares
Unitworthy Property Management Limited (company limited by shares)	United Kingdom	Service Charge Management	87% ordinary shares

17 Investments & MOR homes finance loans

	Group and Association 2024 £'000	2023 £'000
Finance Investment Loans		
At 1 April	**335**	421
Redemptions	**-**	(87)
Movement in fair value	**-**	1
At 31 March	**335**	335
Of which non-current assets:		
Easybuy finance loans	**115**	115
MORHomes Equity Investment	**220**	220
	335	335

Assumptions	**2024**	2023
Discount rate, incorporating the default rate	**10.5%**	10.5%
Housing Price Inflation, for the next three years	**3.0%**	3.0%
Timing of receipt	**8 to 15 years**	8 to 15 years

18 Investments – Home buy loans

	Group and Association 2024 £'000	2023 £'000
Homebuy Loans		
At 1 April	**1,744**	1,782
Loans redeemed	**-**	(38)
At 31 March	**1,744**	1,744

19 Properties for sale

First tranche shared ownership	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Completed	**469**	1,792	**469**	1,792
In progress	**4,157**	5,162	**4,157**	5,162
At 31 March	**4,626**	6,954	**4,626**	6,954

The amount of capitalised interest included in the stock values for the Group and Association at 31 March 2024 is £0.110 million (2023: £0.166 million).

20 Debtors

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due within one year:				
Arrears of rent and service charges	**3,609**	4,116	**3,609**	4,116
Less: provision for bad debts	**(1,795)**	(1,985)	**(1,795)**	(1,985)
Net rents and service charges	**1,814**	2,131	**1,814**	2,131
Amounts owed from Group undertakings	**-**	-	**26**	28
Other debtors	**1,639**	1,572	**1,508**	1,411
Prepayments and accrued income	**2,176**	1,557	**2,176**	1,557
	5,629	5,260	**5,524**	5,127
Due after more than one year:				
Cash flow hedges (note 28)	**6,740**	-	**6,740**	-
	12,369	5,260	**12,264**	5,127

Amounts due from subsidiary undertakings are on normal commercial terms with any interest receivable shown in Note 6 to the financial statements.

21 Cash at bank and equivalents

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Cash and equivalents	**68,045**	75,098	**68,045**	74,074

Wandle has pledged financial assets as collateral for loans, in the form of funds held on deposit with lenders. The carrying amount of the assets pledged is £1,916,551 (2023: £1,916,551) and has been reported within total cash and cash equivalents for Wandle, as per note 21. The terms and conditions of the collateral or funds pledged are in line with the terms of the loan agreement with Affordable Homes Finance PLC (AHF) and are held in an interest-bearing deposit account as a guarantee for the loan. These funds are held under a trust arrangement and will remain pledged to AHF until the loan matures in 2043.

22 Creditors and amounts falling due within one year

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Housing and bank loans (note 27)	**3,601**	4,335	**3,601**	4,335
Trade creditors	**106**	248	**106**	248
Recycled capital grant fund (note 24)	**801**	2,596	**801**	2,596
Deferred capital grants (note 25)	**3,416**	3,480	**3,416**	3,480
Rents received in advance	**1,802**	2,154	**1,802**	2,154
Other taxes and social security costs	**453**	368	**453**	368
Other creditors	**912**	806	**912**	806
Accruals and deferred income	**7,484**	6,045	**7,465**	5,955
Residents sinking fund	**4,311**	3,819	**4,311**	3,819
	22,886	23,851	**22,867**	23,761

23 Creditors and amounts falling due after one year

	Group and Association	
	2024	2023
	£'000	£'000
Housing and bank loans (note 27)	**315,899**	323,178
Capitalised loan fees	**(1,304)**	(1,278)
Cash flow hedges (note 28)	**-**	3,013
Grant in respect of Homebuy loans	**1,744**	1,782
Recycled capital grant fund (note 24)	**10,568**	7,113
Deferred capital grant (note 25)	**355,736**	362,237
	682,643	696,045

24 Recycled capital grant fund (RCGF)

	Group and Association	
	2024	2023
	£'000	£'000
Opening balance at 1 April	**9,709**	7,427
Balance from Disposal proceeds fund	**-**	-
Grant recycled on sales	**3,676**	3,621
Utilisation of grant	**(31)**	(1,555)
Repayment of housing grant to Greater London Authority	**(2,554)**	-
Interest	**569**	216
Closing balance at 31 March	**11,369**	9,709
Amount repayable within one year	**801**	2,596
Amount repayable after one year	**10,568**	7,113
	11,369	9,709

25 Deferred capital grant (DCG)

	Group and Association		
	Completed	Under Construction	**Total**
	£'000	£'000	**£'000**
At 1 April 2023	429,079	4,557	**433,636**
Additions	-	21	**21**
Disposals	(3,739)	-	**(3,739)**
At 31 March 2024	**425,340**	**4,557**	**429,918**
Amortisation			
At 1 April 2023	(67,919)	-	**(67,919)**
Amortised during the year	(3,416)	-	**(3,416)**
Disposals	569	-	**569**
At 31 March 2024	**(70,766)**	**-**	**(70,766)**
Book value			
At 31 March 2024	**354,574**	**4,578**	**359,152**
At 1 April 2023	361,160	4,557	365,717

Grant	**2024**	2023
	£'000	£'000
Amount to be amortised within one year	**3,416**	3,480
Amount to be amortised after one year	**355,736**	362,237
	359,152	365,717
Total social housing grant receivable to date		
Social housing grant and other capital grants	**429,918**	433,636
Cumulative amount credited to Statement of comprehensive income in prior years relating to major repairs revenue grants	**7,396**	7,396
	437,314	441,032

26 Financial instruments

Financial risk management objectives and policies

The Group's activities expose it to several financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies (note 1).

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		**Association**	
	2024 £'000	2023 £'000	**2024 £'000**	**2023 £'000**
Financial assets				
Measured at fair value (present values of future expected cash redemptions) -Total value of loans (note 17)	**335**	335	**335**	335
Measured at fair value and designated in an effective hedging relationship - Derivative financial debtors (note 20)	**7,842**	-	**7,842**	-
	8,177	335	**8,177**	335
Financial liabilities				
Measured at fair value and designated in an effective hedging relationship - Derivative financial liabilities (note 28)	**-**	1,273	**-**	1,273
Measured at fair value and designated in an ineffective non-hedging relationship - Derivative financial liabilities	**1,102**	1,740	**1,102**	1,740
	1,102	3,013	**1,102**	3,013

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		**Association**	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Interest income and expense				
Total net interest expense for financial liabilities at amortised cost	**10,053**	13,049	**10,053**	13,049
Fair value gains and losses				
On derivative financial liabilities designated in an effective hedging relationship	**9,112**	14,846	**9,112**	14,846
On derivative financial liabilities designated in an ineffective non-hedging relationship	**(7,060)**	5,170	**(7,060)**	5,170
	2,052	20,016	**2,052**	20,016

27 Housing and bank loans

Repayment profile of financial liabilities

2024
Group and Association

	Payable by instalment £'000	**Payable on maturity £'000**	**2024 Total £'000**
Less than one year	**3,601**	**-**	**3,601**
One to five years	**13,885**	**63,500**	**77,385**
More than five years	**97,993**	**137,918**	**235,911**
Total	**115,479**	**201,418**	**316,897**

2023
Group and Association

	Payable by instalment £'000	Payable on maturity £'000	2023 Total £'000
Less than one year	4,335	-	4,335
One to five years	23,931	23,500	47,431
More than five years	85,039	187,918	272,957
Total	113,305	211,418	324,723

28 Cash flow hedges

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the Group has entered floating to fixed interest rate swaps. These interest rate swaps have similar terms (nominal value, repricing dates and repayment dates) to the variable loans that they are an economic hedge against.

The change in fair value has been wholly recognised, with fully effective instruments reflected under hedge accounting in Other Comprehensive Income (OCI) to the Hedge Reserve and the other ineffective instruments reported through the Statement of comprehensive income.

Group and Association	**2024 £'000**	2023 £'000
Nominal Values		
Interest rate swap paying fixed 1.33% maturing in November 2031	**5,000**	5,000
Interest rate swap paying fixed 3.30% maturing in August 2033	**10,000**	10,000
Interest rate swap paying fixed 4.74% maturing in May 2035	**11,000**	11,000
Interest rate swap paying fixed 1.40% maturing in November 2036	**20,000**	20,000
Interest rate swap paying fixed 3.34% maturing in May 2037	**10,000**	10,000
Interest rate swap paying fixed 3.35% maturing in August 2037	**10,000**	10,000
Interest rate swap paying fixed 3.32% maturing in September 2037	**20,000**	20,000
	86,000	86,000

Group and Association	**2024 £'000**	2023 £'000
Cash Flow Hedges at Fair Value		
Value of interest rate swap contracts, with effective hedging	**(7,842)**	1,273
Value of interest rate swap contracts, with ineffective hedging	**1,102**	1,740
	(6,740)	3,013

Repayment profile of cash flow hedges Average contract fixed interest rate	**2024 £'000**	2023 £'000
Less than one year	**-**	-
Between two and five years	**-**	-
More than five years	**2.94%**	3.83%
Total	**2.94%**	3.83%

Repayment profile of cash flow hedges

	Notional principal value		**Fair value**	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Less than one year	**-**	-	**-**	-
Between two and five years	**-**	-	**-**	-
More than five years	**86,000**	86,000	**(6,740)**	3,013
Total	**86,000**	86,000	**(6,740)**	3,013

29 Pension scheme

The Association participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out at 30 September 2020. This valuation revealed a deficit of 1,560 million. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

	2023 £'000
Reconciliation of present value of plan liabilities	
At the beginning of the year	**21,714**
Expenses	**16**
Interest expense	**1,042**
Actuarial losses (gains) due to scheme experience	**(353)**
Actuarial losses (gains) due to changes in demographic assumptions	**(232)**
Actuarial losses (gains) due to changes in financial assumptions	**(36)**
Benefits paid	**(761)**
At the end of the year	**21,390**
Composition of plan liabilities	
Schemes wholly or partly funded	**21,390**
Reconciliation of fair value of plan assets	
At the beginning of the year	**17,731**
Interest income on plan assets	**869**
Experience on plan assets (excluding amounts included in interest income) - gain	**(1,383)**
Contributions by employer	**905**
Benefits paid and expenses	**(761)**
At the end of the year	**17,361**

The actual loss on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £0.5 million (2023: £8.3 million).

Group and Association	**2024 £'000**	2023 £'000
Composition of plan assets		
Global Equity	**1,730**	331
Absolute Return	**678**	192
Distressed Opportunities	**612**	537
Credit Relative Value	**569**	669
Alternative Risk Premia	**551**	33
Fund of Hedge Funds	**-**	-
Emerging Markets Debt	**225**	95
Risk Sharing	**1,016**	1,305
Insurance-Linked Securities	**90**	448
Property	**697**	763
Infrastructure	**1,754**	2,025
Private Equity	**14**	-
Private Debt	**683**	789
Opportunistic Illiquid Credit	**678**	759
High Yield	**3**	62
Opportunistic Credit	**-**	1
Cash	**343**	128
Corporate Bond Fund	**-**	-
Liquid Credit	**-**	-
Long Lease Property	**112**	535
Secured Income	**518**	814
Liability Driven Investment	**7,065**	8,166
Currency Hedging	**(7)**	34
Net Current Assets	**30**	45
Total plan Assets	**17,361**	17,731
Actual return on plan assets	**-2.90%**	-32.33%

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

	2024 %	2023 %
Principal actuarial assumptions used at the balance sheet date		
Discount Rate	**4.89**	4.87
Inflation (RPI)	**3.17**	3.19
Inflation (CPI)	**2.77**	2.75
Salary Growth	**3.77**	3.75
Allowance for commutation of pension for cash at retirement	**75%**	75%

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:	**Life expectancy at age 65 (Years)**
Male retiring in 2024	**20.5**
Female retiring in 2024	**23.0**
Male retiring in 2044	**21.8**
Female retiring in 2044	**24.4**

	2024 £'000	2023 £'000
Fair value of plan assets	**17,361**	17,731
Present value of plan liabilities	**(21,390)**	(21,714)
Net pension scheme liability	**(4,029)**	(3,983)

	2024 £'000	2023 £'000
Net interest cost and expenses	**(189)**	(113)
Analysis of actuarial loss recognised in Other Comprehensive Income:		
Actual return less interest income included in net interest income		
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	**(1,383)**	(9,021)
Experience gains and losses arising on the plan liabilities – g(loss)	**353**	(397)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	**232**	49
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**36**	8,539
Opening balance adjustment	**-**	(5)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss) / gain	**(762)**	(835)
Total amount recognised in other comprehensive income – (loss)	**(762)**	(835)

30 Provisions for liabilities and charges

	Group and Association	
	2024 £'000	2023 £'000
Fire safety remediation provision	**3,994**	2,029
At 31 March	**3,994**	2,029

See note 2 - Judgements in applying accounting policies and key sources of estimation uncertainty for further information.

31 Non-equity share capital

Each member of the Board of Management holds one share of £1 in the Association.

	2024 £	2023 £
Allotted, issued and fully paid:		
At start of year	**11**	10
Issued during the year	**-**	3
Written off in the year	**-**	(2)
At the end of the year	**11**	11

The shares have limited rights. They carry no entitlement to dividend. They are not repayable and do not participate in winding up.

32 Notes to cashflow statement

	Group 2024 £'000	2023 £'000
Surplus for year	**3,485**	24,057
Interest payable and similar charges	**13,983**	14,276
Interest receivable	**(3,188)**	(909)
Investment income	**147**	60
Change in fair value of hedging instruments	**7,060**	(5,170)
Operating surplus	**21,487**	32,314
Cost of properties disposed	**9,783**	8,865
Depreciation (housing & other fixed assets)	**9,618**	9,227
Write down on properties for sale	**1,251**	2,130
Change in grants	**(4,943)**	(2,321)
Change in pensions liability	**46**	86
Change in debtors	**(7,109)**	645
Change in properties for sale	**3,228**	(1,630)
Change in creditors	**(7,166)**	(19,325)
Change in investments	**1,047**	1,434
Net cash inflow from operating activities	**27,242**	31,425

33 Homes under management and development

	2023 Number	New homes	Disposals	Tenure transfer	2024 Number
General needs housing					
- Social	**5,078**	8	(23)	(11)	**5,052**
- Affordable	**634**	-	(7)	-	**627**
Low-cost home ownership	**784**	5	(3)	(11)	**775**
Supported housing and housing for older people					
- Social	**92**	-	-	2	**94**
- Affordable	**16**	-	-	(2)	**14**
Intermediate Rent	**69**	-	-	(1)	**68**
Key worker accommodation	**-**	-	-	-	**-**
Total social housing homes	**6,673**	13	(33)	(23)	**6,630**
Market rent	**4**	-	(1)	(1)	**2**
Leasehold units	**548**	-	(6)	49	**591**
Commercial & offices	**27**	-	-	-	**27**
Garages	**8**	-	-	-	**8**
Other	**1**	-	-	-	**1**
Total owned	**7,261**	13	(40)	25	**7,259**
Accommodation managed for others	**4**	-	(4)	-	**-**
Total managed accommodation	**7,265**	13	(44)	25	**7,259**
Units managed by other organisations	**222**	-	-	(25)	**197**
Total owned and managed accommodation	**7,487**	13	(44)	-	**7,456**
Total homes owned and under development	**146**	97	-	-	**243**

35 Capital commitments

	2024 £'000	2023 £'000
Expenditure contracted for but not provided for in the financial statements	**9,164**	5,277
Expenditure authorised by the board but not contracted for	**70,783**	53,865
Total	**79,947**	59,142
To be funded by:		
Cash and current undrawn committed facilities	**79,947**	59,142
	79,947	59,142

36 Financial commitments

Total minimum lease commitments under non-cancellable operating leases are as follows:

	2024 £'000 Buildings	£'000 Other	2023 £'000 Buildings	£'000 Other
Less than 1 year	**400**	**-**	333	-
Between 1 and 5 years	**1,901**	**-**	1,334	-
Greater than 5 years	**-**	**-**	584	-
	2,301	**-**	2,251	-

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