

ForHousing

Annual Report and Financial Statements **2022/23**



FCA reg no: 30483R
RSH reg no: L4528



ForHousing Limited - Annual Report & Financial Statements 2022/23

Contents

	Page
Board of Directors, Executives and Advisors	1
Chair of the Board's Forward	5
Report of the Board	7
Strategic Report Including Value for Money Statement	18
Statement of Director's Responsibilities	38
Independent Auditor's Report	39
Consolidated Statement of Comprehensive Income	42
Association Statement of Comprehensive Income	43
Consolidated Statement of Financial Position	44
Association Statement of Financial Position	45
Consolidated Statement of Cash Flows	46
Association Statement of Changes in Reserves	47
Consolidated Statement of Changes in Reserves	47
Notes to the Financial Statements	
1. Legal Status	48
2. Accounting Policies	48
3. Particulars of Turnover, Cost of Sale and Operating Surplus	60
3a. Particulars of Income and Expenditure from Social Housing Lettings	62
4. Accommodation in Management and Development	64
5. Operating Surplus	66
6. Surplus on Sale of Fixed Assets	67
7. Interest Receivable and Other Income	68
8. Interest and Financing Costs	68
9. Employees	69
10. Key Management Personnel	70
11. Tax on Surplus on Ordinary Activities	72
12. Fixed Assets – Housing Properties	74
13. Tangible Fixed Assets Other	76
14. Investments Properties	77
15. Long Term Investments	77
16. Properties Held for Sale	78
17. Debtors	78
18. Creditors: amounts falling due within one year	79
19. Creditors: amounts falling due after more than one year	80
20. Deferred Income	81
21. Recycled Capital Grant Fund	82
22. Debt Analysis	82
23. Retirement Benefits	85
24. Non-Equity Share Capital	95
25. Capital Commitments	95
26. Leasing Commitments	95
27. Contingent Liabilities	96
28. Related Parties	96
29. Intercompany Transactions	97
30. Net Cash Generated from Operating Activities	97
31. Ultimate Parent Company and Parent Company of Larger Group	98
32. Prior Period Adjustment	98

ForHousing Limited - Annual Report & Financial Statements 2022/23
Directors, Executive Officers and Advisors

Directors

Director	Position	Group Board and Committee Roles	Changes in the Year
Paul Kennedy	Chair	1. Member of Group People Committee 2. Member of ForViva Board	
Steve Bentley	Senior Independent Director	1. Chair of Group People Committee 2. Member of ForViva Board	
James Barclay	Director	1. Chair of Group Audit and Risk Committee 2. Member of Group Wellbeing Committee 3. Member of ForViva Board	The Group Wellbeing Committee was disbanded in March 2023 as part of a governance review
Deborah McLaughlin	Director	1. Chair of Homes Committee 2. Chair of ForLiving Limited Board	
Graeme Foster	Director	1. Chair of Customer Committee 2. Member of Group Audit and Risk Committee 3. Member of ForViva Board	Appointed to ForViva Board 29 th November 2022
Paul Butterworth	Director	1. Member of Group Audit and Risk Committee 2. Member of Homes Committee 3. Member of ForLiving Limited Board 4. Investor Director to Liberty Group Investments Limited	
Lawrence McIntosh	Director	1. Member of Homes Committee 2. Member of ForLiving Limited Board 3. Member of Group People Committee 4. Member of Customer Committee	
Mark Fletcher	Director	1. Member of Group Wellbeing Committee 2. Member of Group People Committee	The Group Wellbeing Committee was disbanded in March 2023 as part of a governance review
Gary Sims	Director	1. Member of Homes Committee 2. Member of ForLiving Limited Board 3. Member of Group Audit and Risk Committee	Appointed 29 th November 2022
Donna O'Neill	Director	1. Member of Customer Committee	Appointed to ForHousing Board 29 th March 2023
Donna Cezair	Deputy Chair	1. Member of Group People Committee 2. Member of ForViva Board	Appointed to all roles 9 th June 2023
Christine Barker	Director	1. Member of Group Wellbeing Committee 2. Member of Customer Committee	Resigned 15 th November 2022

ForHousing Limited - Annual Report & Financial Statements 2022/23
Directors, Executive Officers and Advisors

Director	Position	Group Board and Committee Roles	Changes in the Year
Colette McKune MBE	Group Chief Executive Officer	1. Member of Homes Committee 2. Member of ForLiving Limited Board 3. Member of Group Wellbeing Committee 4. Member of Customer Committee 5. Chair of ForViva DevCo Limited 6. Chair of ForCapital Limited 7. Member of ForViva Board 8. Member of ForHousing Board	Retired 30 th September 2022

Executive Officers and Company Secretary:

Name	Position	Changes in the Year
Colette McKune MBE	ForViva Group Chief Executive Officer	Retired 30 th September 2022
Mike Parkin	ForHousing Chief Executive Officer	Position change from Group Chief Operating Officer to Interim ForHousing Chief Executive Officer on 1 st October 2022 and appointed as permanent ForHousing Chief Executive Officer on 1 st April 2023
Jenny Neville	ForHousing Interim Deputy Chief Executive Officer	Position change from Executive Director of Corporate Services from 4 th September 2023
Mark Bradshaw	Executive Director of Finance	
Martyn Hague	Executive Director of Customer	
Nigel Sedman	Executive Director of Homes	
Mark Sullivan	Executive Director of ICT	
Gemma Burton-Connolly	Executive Director Governance & Assurance	Appointed 4 th September 2023
Jenny Chapman	Executive Director of Innovation & Excellence	Resigned 31 st December 2022
Catherine HardySmith	Interim Executive Director of Governance and Group Company Secretary	Resigned 11 th January 2023

ForHousing Limited - Annual Report & Financial Statements 2022/23
Directors, Executive Officers and Advisors

Name	Position	Changes in the Year
Peter Shanks	Group Company Secretary	Appointed 11 th January 2023 Resigned 23 rd March 2023
Harriet Rushton	Group Company Secretary	Appointed 23 rd March 2023

Association Details and Advisors

Company Registration Numbers:	L4528 Regulator of Social Housing 30483R Co-operative and Community Benefit Society
Registered Office:	52 Regent Street Eccles Manchester, M30 0BP
External Auditors:	RSM UK Audit LLP Ninth Floor, Landmark, St Peter's Square 1 Oxford Street Manchester M1 4PB
Internal Auditors:	To 31 st March 2023 BDO LLP 3 Hardman Street Spinningfields, Manchester, M3 3AT From 1 st April 2023 Beever and Struthers One Express 1 George Leigh Street Manchester M4 5DL
Bankers:	Barclays Bank 1 st Floor 3 Hardman Street Spinningfields Manchester M3 3AT
Principal Solicitors:	Bevan Brittan LLP Fleet Place House 2 Fleet Place London, EC4M 7RF

ForHousing Limited - Annual Report & Financial Statements 2022/23

Chair of the Board's Forward

As I reflect on the year just gone, I am amazed not only at the speed at which it has gone, but with the magnitude of the challenges which were faced ably by our tenants, the Board, and all colleagues at ForHousing, and the positivity and hard work with which these have been embraced.

There has been much change; we have welcomed Mike Parkin as the new permanent ForHousing CEO following a stint as interim Chief Executive. Mike has made a strong start, setting out clear expectations in relation to accountability, transparency, improvement, and openness. He has been working hard to build relationships at every stakeholder level and to demonstrate what ForHousing is about. The change is clear and there is a renewed energy across the organisation and the Board table.



In year, we have also had to say goodbye to colleagues at every level which is always bittersweet. Their impacts continue to be felt by us as we move forward on our journey, and we thank them for their contributions to positively impacting the lives of our tenants.

At the start of 2023, we received a governance downgrade from the Regulator which was a blow to the Board and all colleagues. The downgrade related to specifics around the mechanics of our governance and their complicated nature which we are working with the Regulator to address.

The downgrade from the Regulator, whilst disappointing, is giving us an opportunity to step back and make changes for the better, with the aim of simplifying our governance and making it more transparent. We are also looking to weave our tenants' voice into our governance in a way not done before so they can have a real say in what we do. It's safe to say we are evolving and improving, and I am looking forward to the journey.

To help us on our way, we have set up three task and finish groups made up of Board Members and Officers to deliver on the detail of the improvement plan we have agreed with the Regulator.

Change is a good thing, and towards the end of 2022, we took the exciting step of re-designing our ForHousing offering and promise to our residents and stakeholders which meant that in May 2023, we were able to launch our new strategic plan which is, pleasingly, taking us back to the basics of being a social housing provider and putting our tenants at the heart of all that we do.

We currently work in a time of incredible external pressure on the sector, our tenants, and our colleagues. The cost-of-living crisis on the back of Covid-19 has hit all of us in one form or other. From a Board perspective, we have grappled with investment decisions and whether to continue with a riskier path of private rent which could provide better returns to develop social housing or to focus on improving the stock we have and concentrating on building more social and affordable homes. Ultimately, we determined to do the latter as it aligns with our core purpose and mission.

We also had to make a difficult decision in relation to the rental increase following a period of financial turmoil and incredibly high inflation and interest rates. We applied the 7% permissible to be able to continue to invest in making our homes and communities safe, well-maintained, and sustainable.

At the end of the year, seven of our key performance indicators did not meet target. Three of those were financial and were impacted by the external financial pressures such as high inflation and cost of living both on our contracts, and our tenants.

Both employee and customer net promotor scores did not meet target telling us we have more to do to improve the services our tenants receive and the environment in which our colleagues work. We

ForHousing Limited - Annual Report & Financial Statements 2022/23

Chair of the Board's Forward

have plans to address these, via our strategies with their associated action plans and expect to meet our customer satisfaction targets in the coming year.

The sector itself has learnt some tough lessons this year in relation to engaging and listening to tenants, and damp and mould. We have found that collectively we need to do more to ensure our tenants' voices are not lost in our organisation, and that we act on what we are told.


Data is a key element to addressing these shortcomings and through our new strategies, we are working on improving the quality and transparency of the data we hold about our customers. We want to use it to better understand our tenants and shape services that they need and that work for them. This is an approach echoed by the Regulator and is one we expect will play a vital part in the reshaped consumer regulations.

We do not wish for any of our tenants to live with damp and mould. We understand that the age and condition of our stock plays a large part, as does overcrowding or under-occupying which speaks to the suitability of our stock for our tenants. This is something we are looking to address via our development programme and working with local partners around local choice, a slow but worthwhile change programme. In addition, we decided that we would focus our funds on addressing damp and mould, accepting that this would reduce our operating margin significantly in the short to medium term, but it was the right thing to do to ensure our tenants live free from damp and mould.

Whilst these larger endeavours are brought to fruition, we have launched a proactive service to encourage our tenants to let us know about any damp or mould they have, so that we can take steps to remove it and prevent the impacts on our tenants' health and wellbeing.

As I conclude my statement, I would like to thank my fellow Board members, Customer Committee members and colleagues across ForHousing; you work incredibly hard to make ForHousing a better place for each other and our tenants and it's a pleasure to work with you.

It will be an interesting year coming up and I am very much looking forward to seeing the strategy plans embed and learn more about our tenants as we go forward together.



Paul Kennedy
Chair of the Board

Report of the Board

The Board presents its audited financial statements for the year ended 31st March 2023.

Legal Status

ForHousing Limited was formed under the Co-Operative and Communities Benefit Societies Act 2014 (previously the Industrial and Provident Societies Act 1965), registration number 30483R, with charitable objectives. ForHousing is a Registered Provider of Social Housing, registration number L4528, is affiliated to the National Housing Federation, and is a subsidiary of ForViva, a non-registered Co-Operative and Communities Benefit Society.

ForCapital Limited is a wholly owned subsidiary of ForHousing, incorporated on 23rd February 2017. ForCapital is a Special Purpose Vehicle which was created to manage ForHousing's loan facilities and commenced trading on 19th May 2017.

ForLiving Limited, a private limited company and registered with Companies House (10635705), was incorporated on the 23rd February 2017, and is a wholly owned subsidiary of ForHousing. Its main purpose is to provide and manage high quality properties for market rent and market sale. All profits are reinvested into ForHousing's social housing objectives.

ForViva DevCo's (DevCo's) main purpose is the provision of design and build services for the development of new affordable housing to on behalf of ForHousing. DevCo is wholly owned by ForHousing but is separately registered for VAT which enables it to recover VAT on fees and costs outside of the build contract.

Governance

In accordance with its Rules, ForHousing's Board may have between five and twelve Board Members. ForHousing is governed by a Board of eleven Non-Executive Directors, led by the Chair, Paul Kennedy. Until her retirement from the Group on 30th September 2022, the Group Chief Executive Officer, Colette McKune MBE, was also an Executive Director of the ForHousing Board.

There were three changes to Non-Executive Directors during the year; Christine Barker retired on 15th November 2022, Gary Sims was appointed to the Board on 29th November 2022 and Donna O'Neill was appointed to the Board on 29th March 2023, bringing the number of Board members to ten. In June 2023, Donna Cezair was appointed as ForHousing Deputy Chair, bringing the number to 11. The ForHousing Chief Executive Officer is not a Board Member. All Directors of ForHousing who served during the year and up to the date of the signing of these financial statements are listed on pages 1 and 2.

The Board is responsible for establishing and overseeing ForHousing's control and risk management frameworks, and ensuring the organisation achieves its aims and objectives. Decision-making is by collective consensus, and all Directors act in the best interests of ForHousing and have equal responsibilities and liabilities, representing the Board as a whole. The Members of the Board have a range of skills and experience enabling them to make effective decisions and monitor the organisation's performance. The Board met 14 times during the year. All meetings attained the necessary quorum and decision-making has remained in-line with the organisation's Rules.

Board Members take part in an annual appraisal exercise, accompanied by a skills assessment and an overall board effectiveness review which ensures there is a targeted training and development programme for individuals and for the Board as a whole. New Board Members undergo a formal induction programme which includes background information about the organisation and its strategy.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

The term of service of Board Members is currently limited to a maximum of six years, in line with the NHF Code of Governance 2020. Board Members each retire by rotation in accordance with the organisation's Rules and can offer themselves for re-appointment, subject to the Board's review of performance. To ensure seamless succession between members' tenures and the phasing of retirements, the Board approved the extension of Lawrence McIntosh's tenure for one year, to January 2024. The 2020 Code provides flexibility to extend tenure types up to nine years, where the Board considers this to be in the organisation's best interests. Lawrence's extension was predicated on the Board's skills coverage in relation to tenant and community engagement, the outcome of his 2021/22 appraisal where robust performance was demonstrated, and that it would provide ForHousing with stability and continuity during the period of regulatory engagement through the retention of corporate memory.

From time to time the Board may seek to attract new Board Members and undertake an open and appropriate skills-based process for appointment. In November 2022, ForHousing appointed one new externally recruited member to the Board. In March 2023, one member was recruited via an open process involving our own Customer Committee. All independent Customer Committee members were invited to apply for this position, which was to replace the governance role vacated by the previous member with customer experience who retired from the Board in November 2022, and to ensure that the Board continued to have expertise in the areas of tenant and community engagement. In June 2023, a Deputy Chair was appointed following an external recruitment process.

The Board regularly reviews its own skills requirements, which informs the Board and Committee Member succession plan. A review of skills and competencies was conducted in January 2023 with the Board and a revised skills matrix implemented. This was updated following the annual Board appraisals and discussed at the July Group People Committee.

The Board assimilation process included a revised Board/Committee composition based on a customised skills framework, a competency and behaviours framework, and the creation of a selection panel. The selection panel had delegated authority for the assessment process and the recommendation of appointments to the ForHousing Board, including:

- Oversight of the assessment process for existing members;
- The external board member recruitment process;
- The recruitment process for the Customer Committee; and
- The Board skills assessment.

On 18th January 2023, ForHousing's Governance was downgraded by the Regulator of Social Housing from G2 to G3 following the outcome of the Grading Under Review Process. Whilst the outcome was disappointing to ForHousing, we are working closely with the Regulator to improve on the actions identified and embed a simplified and transparent governance structure within the ForHousing group of entities. We are simultaneously working with the ForViva Board on ensuring that the Group governance structure reflect transparent and clear governance. ForHousing has agreed a Voluntary Undertaking with the Regulator as part of this process and is managing its response through a Governance and Regulatory Improvement Plan, which has been agreed with the Regulator.

ForHousing has instigated three short term task and finish groups to oversee the requirements of the Voluntary Undertaking: these task and finish groups have a membership of Board Members. The decisions and actions from the task and finish groups are reported through to both the ForHousing Board.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

As part of the Grading Under Review process, in December 2022, the Board and Executive Management Team took a reflective look at the Corporate Plan and its outcomes to understand if they were still fit for purpose. It was agreed that the Corporate Plan should be simplified to focus on our core social housing purpose. It was further agreed to allow time for a strategic re-set to revise the plan and its outcomes and to seek the opinion of our tenants and colleagues in these plans. The revised ForHousing Strategy 2023-2028 was approved and launched in May 2023.

ForCapital Limited and ForViva DevCo Limited each has a Board of three Executive Directors, and ForLiving has a Board of an Independent non-Executive Chair and three Non -Executive Directors.

Stockbridge Village Trust Limited is a dormant entity.

Board and Executive Officers Remuneration

Non-Executive Directors receive remuneration from ForHousing, as well as reimbursement of expenses incurred. The Board's remuneration is based on independent national and sector benchmarking, is approved by the Group People Committee and the ForHousing Board and is in-line with the organisation's Remuneration Policy. A Board remuneration review is being undertaken in 2023/24.

The remuneration of the Executive Directors is determined by the Board and is subject to independent review every three years, the next review is due in 2023/24. Salaries for Executive Directors are set having regard to each director's responsibilities and pay levels for comparable corporate positions. New additions to on the Executive Management Team are benchmarked as the role description is developed.

Colette McKune, the previous Group Chief Executive Officer, retired on 30th September 2022. The Board appointed Mike Parkin, previously the Group Chief Operating Officer, as Interim ForHousing Chief Executive from 1st October 2022 to 31st March 2023 whilst the recruitment process for a permanent ForHousing Chief Executive was undertaken. Following a robust external recruitment process, Mike Parkin was appointed permanent Chief Executive Officer of ForHousing from 1st April 2023. The recruitment process included independent salary benchmarking, and legal advice was obtained in the development of the Chief Executive's contract.

Shareholders

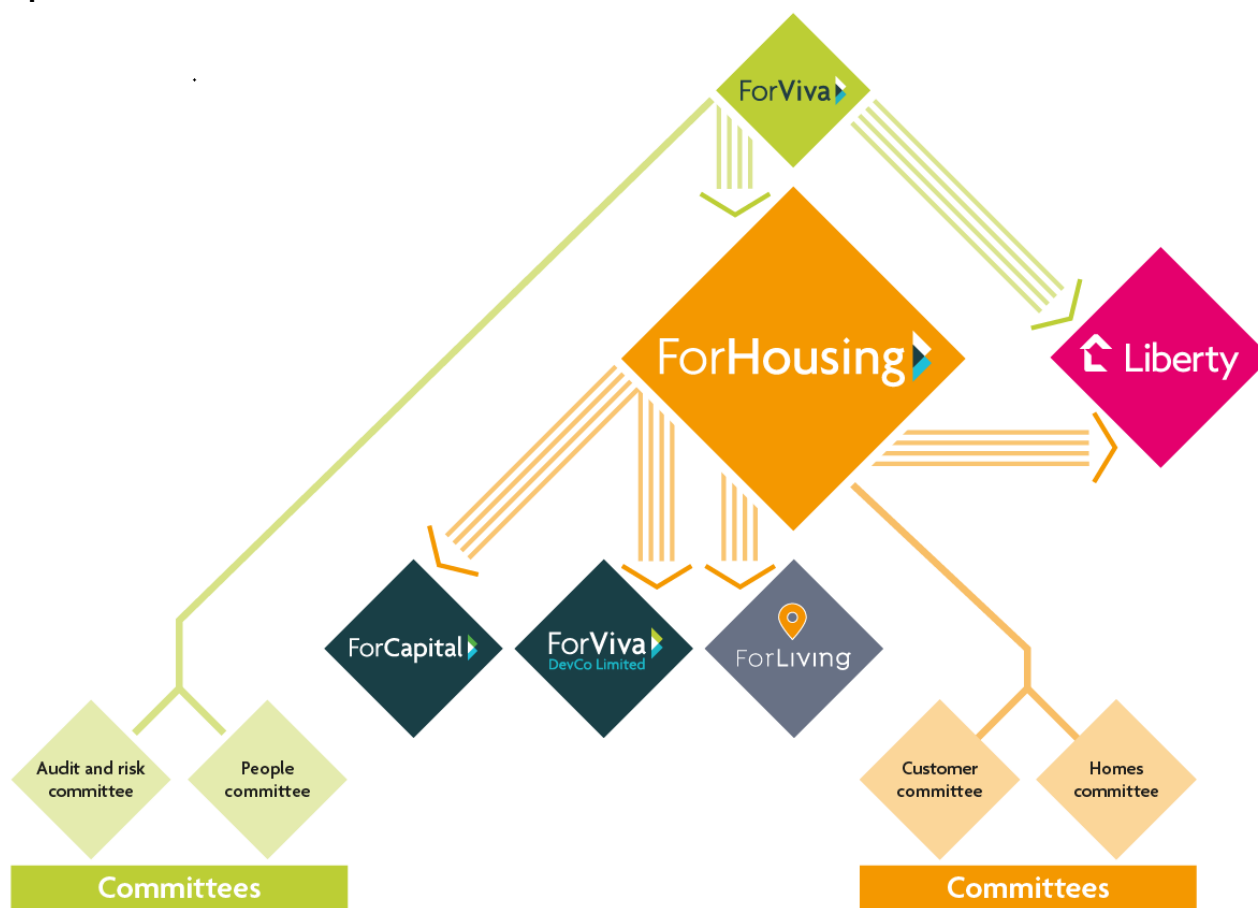
ForHousing has 78 shareholding members, all of whom have purchased one share at a cost of £1 in line with the organisation's Rules. Between April 2022 and June 2023, two shares were issued and two surrendered following Board Member appointments and resignations and the movements noted on pages 1 and 2. ForViva Limited, the unregistered parent, is also a shareholder.

The shareholding body is invited to the Annual General Meeting, where it receives the annual report, accounts, and appoints the external auditors. Shareholders have the power to appoint Directors but have not done so during the year.

The shareholding includes Tenants and Leaseholders of ForHousing who are 16 years of age or above, and who have not been previously expelled as a shareholder. The Board reviews its policies and objectives for admitting new shareholders every three years.

Board Delegation

In order to operate effectively and ensure appropriate attention to certain areas of business, the ForHousing Board adopts a Committee structure which is determined via the Group Standing Orders. The Group Structure and Committee Structure is shown below.



Committee Structure

The Board delegates authority to the Committees to perform specific functions on its behalf. The tasks delegated are defined in the Committees' Terms of Reference. The Terms of Reference are the baseline for the annual Committee effectiveness review and work is underway during 2023/24 to review these in line with the Voluntary Undertaking and Governance and Regulatory Improvement Plan.

In March 2023, the ForViva Board approved the cessation of the Group Wellbeing Committee. The Committee's responsibilities in relation to staff wellbeing are included in the requirements of the Group People Committee, and those in relation to the wellbeing of the customer will be included in the requirements of the ForHousing Customer Committee.

Each Committee Chair is required to update the relevant Board on key areas of risk and discussion at each Board meeting.

Listed below are the three ForViva Group Committees and two ForHousing Committees, including how many times they met during the year:

Committee	Number of meetings during 2022/23
Group People Committee	Met five times
Group Audit and Risk Committee	Met eight times
Group Wellbeing Committee	Met four times (disbanded in March 2023)
ForHousing Homes Committee (name changed from Development Committee in February 2023)	Met five times, including one SWOT (strengths, weaknesses, opportunities & threats) session
ForHousing Customer Committee	Met five times

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

Task and Finish Groups

In addition, three task and finish groups were established by the Board to steer the work required as part of the Voluntary Undertaking with the Regulator as outlined below:

- **Regulatory Task and Finish Group** – to oversee the engagement with the Regulator, act as advisor in developing the Governance and Regulatory Improvement Plan (GRIP) and ensure the expected outcomes of the Voluntary Undertaking and GRIP are achieved.
- **Governance Task and Finish Group** – to oversee the governance review and simplification as detailed in the GRIP. This work is expected to conclude in September 2023 following the AGM.
- **Ceres Task and Finish Group** – this Group will oversee the Group structure review being undertaken as an outcome of the Voluntary Undertaking.

NHF Code of Governance 2020

In June 2021, the ForHousing Board approved the adoption of the NHF Code of Governance 2020. The Code was adopted from 1st April 2022. ForHousing assessed itself against the 2020 Code and is fully compliant.

Work will be undertaken during 2023/24 to enhance areas within the Code related to culture and governance transparency. These relate to areas within the Voluntary Undertaking which the task and finish groups are overseeing, and which are important to the Board and the Executive Management Team as a collective, as we embed the new ForHousing Strategy.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the organisation's system of internal control and for reviewing its effectiveness. The Board acknowledges that risks crystallised during the year in relation to historical controls which were weak at the time but have since been enhanced and continue to be strengthened.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss. In meeting its responsibilities, ForHousing has adopted a risk-based approach to establishing and maintaining internal controls, which are embedded within the day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of the risks to which ForHousing is exposed.

A process for identifying, evaluating, and managing the significant risks faced by ForHousing is in place, and has been throughout the year, up to the date of the approval of the annual report and financial statements. The Group Audit and Risk Committee regularly receives and considers reports from senior management and the Internal Auditors about risk management and internal control arrangements. In addition, the Group Audit and Risk Committee review, challenge and escalate, if required, risks to the ForHousing Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, are set out below.

Strategic Planning and Budgeting

The strategic planning and budgeting processes are used to set objectives, agree action plans, and allocate resources. ForHousing's progress towards meeting their strategic and annual objectives is regularly monitored by the ForHousing Board and the Executive Management Team. The 30-year Business Plan was approved by the Board prior to the start of the 2022/23 financial year.

The Intragroup Agreement (IGA), along with the ForHousing Financial Regulations, set out the process and timetable for each entity within the Group to prepare and approve their budgets and business plans.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

All strategic planning and budgeting processes have operated effectively throughout 2022/23, with the Boards receiving adequate assurances and action plans where targets have not been achieved.

Performance and Compliance Monitoring

At regular Board and Committee meeting, reports outlining the latest operational and financial results compared to the target for the year, including statutory compliance reports, are presented to enable the Board to maintain oversight of ForHousing's strategic performance and ongoing compliance. Following the conclusion of the financial year, a retrospective assessment is provided on performance across the year which is used to inform the target setting for the coming financial year.

Risk Management and Assurance

The Group Risk and Assurance Framework was approved by Group Audit and Risk Committee, and the ForHousing Board in March 2022. During the year, we have embedded the principles of the risk management framework into our approaches around assurance and reporting to Boards and Committees. Risk Management has been a focus for both the Executive Management Team and the Operational Directors during the year as we enhanced the understanding of the breadth and strength of our control and assurance mechanisms.

The ForHousing Board reviewed their risk appetite in December 2022 following the grading under review process and the external period of economic and political uncertainty. The board determined to move away from riskier sector activities such as private rent and outright sale and focus on ForHousing's core purpose of providing good quality homes to our social housing tenants and ensuring the wellbeing of our customers.

Changes were applied to the risk appetite that allowed the Board to be more open around opportunities to improve services for customers, and in strengthening the customer voice in our activities.

The Group Audit and Risk Committee regularly reviews the risk register and associated heat map and considers any required changes to residual risk scores. Board and Committee reports include reference to the relevant strategic risk, and they link to the organisation's risk appetite and regulatory standards. The ForHousing Board reviewed the risk register four times during 2022/23.

Additional assurance on managing risks is provided through:

- Internal Audit reviews.
- Group Audit and Risk Committee meetings with the internal and external auditors at least once a year, without any Executives present. Regular reporting from the Group Audit and Risk Committee to the Board through the recorded minutes of its meetings, and a presentation of key activity by the Group Audit and Risk Committee Chair.
- The reporting of Strategic Risk activity to the Board.
- Annual Regulatory Standards self-assessment.
- Annual Code of Governance self-assessment.
- Assets and Liabilities Register.
- External accreditations and assessments.

Group Audit and Risk Committee

The Group Audit and Risk Committee reports to the Board on internal controls and alerts them to any emerging issues. The Audit and Risk Committee ensures that corrective action is taken in relation to any significant control issues highlighted by the Internal and External Auditors. As part of its review of the organisation's internal control system, the Committee oversees the performance of the internal and external auditors. The Group Audit and Risk Committee provides advice to the Board and provides an annual review to them, through the Internal Auditors, which focuses on the effectiveness of the internal control system, including the systems for managing risk.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

Internal Audit Programme

Internal Audit is an important element of the internal controls process. Internal Audit is responsible for the independent and objective review of the effectiveness of the internal control system within the organisation.

BDO concluded their contract with ForHousing on 31st March 2023. Following a competitive tender process, Beever and Struthers were appointed as the internal auditors for ForHousing, and their contract commenced on 1st April 2023.

The internal audit programme for 2022/23 generated recommendations for action, which have enabled ForHousing to improve its internal control environment. During the year BDO undertook sixteen assurance assignments covering:

Internal Audit	Subsidiary	Design	Effectiveness
Regulatory Returns	ForHousing	Moderate	Advisory Audit
Anti-Social Behaviour	ForHousing	Substantial	Moderate
Treasury	ForHousing	Substantial	Substantial
Expenses	ForHousing	Moderate (policy)	Moderate
		Moderate (Petty Cash)	Moderate
		Moderate (Credit Card Usage)	Limited
Disrepair	ForHousing	Moderate	Moderate
Rent Setting	ForHousing	Moderate	Moderate
Governance Framework	ForHousing	Advisory Audit	Advisory Audit
Lone Working	ForHousing	Moderate	Moderate
Data Integrity Framework	ForHousing	Moderate	Moderate
IT General Controls	ForHousing	Moderate	Advisory Audit
Performance Framework	ForHousing	Substantial	Moderate
GDPR Implementation Plan	ForHousing	Advisory Audit	Advisory Audit
Investment Policy & ROI	ForHousing	Moderate	Moderate
Adherence to HR Law	ForHousing	Advisory Audit	Advisory Audit
Anti-Fraud Framework	ForHousing	Moderate	Moderate
Payroll	ForHousing	Substantial	Substantial

Recommendations, progress updates and outcomes of internal audit reports are reported regularly to the Group Audit and Risk Committee (GRIP). Overall, BDO stated that the risk management activities and controls in the areas examined were found to provide reasonable, but not absolute assurance that the related risk management, control, and governance objectives were achieved for the period under review.

The GRIP actions will support strengthening this area, as will the new internal audit programme through Beever and Struthers which will link in risk map control testing alongside assurance control testing. In addition, a quarterly control assurance assessment will be put in place during 2023/24 in conjunction with the risk management review process.

External Audit

External Audit provides feedback to the Board on any internal controls recommendations that are identified as part of the audit of the year-end accounts and financial statements. The external audit process includes an interim and a year-end audit.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

Each year, after the year-end audit, a management letter is presented to the Board, through the Audit and Risk Committee, and is subsequently submitted to the Regulator of Social Housing. RSM UK Audit LLP were appointed by shareholders as the external auditors for the year in September 2022.

Other Assurance

ForHousing is registered with the Financial Conduct Authority (FCA) and following the departure of the Interim Director of Governance and Group Company Secretary during the year, the Senior Managers Certification Regime responsible person is the Executive Director of Finance.

ForHousing's development programme is audited by Homes England and was last audited in 2020 with a green / green outcome, resulting in the provision of an audit holiday for the years 2021 and 2022.

In year, the following external assurances were obtained across ForHousing:

- Cyber Security Review by ECSC – November 2022
- Cyber Security Plus accreditation via NCC Group – October 2022
- ISO9001 surveillance audit - April 2022
- TPAS Accreditation – July 2022
- Housemark Accreditation ASB - January 2021 (100% compliant)
- Accredited Living Wage employer
- Implementation of Good Employment Charter supporter status - March 2022
- Disability Confident Accreditation - March 2022

Business Continuity Planning

ForHousing has maintained its Business Continuity Plan (BCP) and it operated as an effective part of ForHousing's control framework in 2022/23. The BCP was independently assessed by BDO as part of the internal audit process and improvements to strengthen the plan were identified. Now that the agile working approach is properly embedded, this is the appropriate time to refresh the baseline assumptions related to the plan and in 2023/24 the ForHousing group of companies will embed a process of business impact assessment testing to ensure the BCP remains an agile document, able to support events as they arise.

Employees

The strength of ForHousing, and its ability to meet its corporate objectives and its commitments to customers lies in the quality, commitment, and contribution of its employees.

ForHousing provides information to its employees throughout the year on its objectives, progress and activities through regular team meetings, and briefings from the Executive Management Team. The organisation has a People Strategy in place, which recognises the importance and contribution of employees to the ongoing success of the organisation. The People Strategy has been encompassed within the Resources Strategy (one of three strategies underpinning the ForHousing Strategy) approved in May 2023 and activity is captured within a People Delivery Plan.

ForHousing is committed to creating a workplace where colleagues feel a sense of belonging, included and respected for who they are. We want colleagues to be able to reach their potential and perform at their best because our environment supports them to feel confident, valued and secure. ForHousing continues to work towards the development of a leadership team and workforce that reflects the communities it operates in and is currently engaging with the workforce to understand where the organisation is at, measuring current representation and taking action through its Equity, Diversity and Inclusion activity. ForHousing recognises the experiences and characteristics of everyone, as well as the protected characteristics. Human Resources practices ensure that everyone is treated equitably.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

ForHousing ensures that all colleagues are given the opportunity to comment on organisational matters through several channels such as Executive Management Team briefings, staff forum, staff webinars, staff surveys, and intranet news stories. Every effort is made to ensure colleagues can become involved in new initiatives.

At the end of the year, the overall staff satisfaction with ForHousing as an employer was 95.8%.

The Chief Executive Officer is responsible for the day-to-day running of the business. The Chief Executive is appointed by, and reports directly to, the Board, and works closely with the Board to develop and execute ForHousing's strategic objectives.

This is supported by a range of key performance indicators set by and reported to the Board at regular meetings throughout the year. The NHF Code of Governance 2020 requires a formal process for the Chief Executive's annual appraisal, overseen by the Board or an appropriate Committee. Following the appointment of a permanent ForHousing Chief Executive Officer from April 2023, this approach has been developed and was approved by the Group People Committee and the ForHousing Board in July 2023.

Assets and Liabilities Register

To comply with the Governance and Financial Viability Standard, ForHousing maintains a record of assets and liabilities, particularly those liabilities that may have recourse to social housing assets, which is reported to the Board through the Group Audit and Risk Committee. As part of ongoing compliance testing in this area, the Register will be assessed by the internal auditors as part of the 2023/24 audit plan.

Gender Pay Gap

From 2017, all organisations employing 250 or more staff have been required by the Government to publicly report on their gender pay gap. Reporting specifically requires the mean and median pay gaps, bonus pay gaps, and proportion of female and male staff according to quartile pay bands.

Since the introduction of pay gap reporting ForHousing has gone further than simply providing the data and provides supporting narrative and information in the form a roadmap to success, outlining the actions being taken by ForHousing to close the gap.

ForHousing has also introduced voluntary reporting of its Ethnicity Pay Gap, which is yet to become a mandatory requirement by the Government.

Reporting in relation to ForHousing's position has been completed and reported to the Group People Committee during the year. The Pay Gap reports are available on the ForHousing website.

Regulatory Compliance

Following the merger of City West Housing Trust, Villages Housing Association, and Villages Community Housing Association to create ForHousing Limited on 1st April 2019, the Regulator of Social Housing (RSH) issued an interim regulatory judgement for ForHousing as V1 (the highest rating) for Financial Viability, and G2 (compliant) for Governance. The interim governance rating was issued on the basis that the constitutional changes were significant, and at that time the RSH did not have the assurance that the previous published governance grading for the parent company ForViva, which was a Registered Provider up to April 2019, was appropriate for the new entity (ForHousing).

Following reactive engagement, the regulator's interim judgement was replaced on the 28th October 2020 by a regulatory judgement which reconfirmed the previous assessment of V1 and G2. The regulatory judgement was re-confirmed on the 26th January 2022.

An In-Depth Assessment followed in the Summer of 2022, and ForHousing was placed on the Grading Under Review list in October 2022. Following a period of close engagement with the

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

Regulator, ForHousing was downgraded from a G2 to a G3 in January 2023. ForHousing continues to engage positively with the RSH to improve its governance grading and we have agreed a Voluntary Undertaking with the Regulator, supported by a Governance and Regulatory Improvement Action Plan (GRIP). We have set-up three short term task and finish groups to oversee the simplification and transparency work related to the Judgement outcomes.

Fraud and Whistleblowing

ForHousing complies with the Regulator's requirements with respect to fraud and has a clear anti-fraud policy. The policy requires a register to be maintained of all actual and attempted fraud. All such cases are reported to the Board through the Audit and Risk Committee Dashboard, and all cases are reported to the Regulator of Social Housing. There were no frauds reported in year.

The Group Company Secretary maintains a Whistleblowing Register, and any whistleblowing allegations are reported to the Group Audit and Risk Committee at the following meeting. Two whistleblowing allegations were made during the period under review, which were investigated, and the outcomes reported to the Group Audit and Risk Committee. One allegation did not relate to ForHousing but was against the care provider, and was dealt with via the appropriate channels, the other was a grievance and disciplinary matter handled via those processes.

Cyber Security

Following the cyber security incident in July 2021, further investment in technology was made, and additional dedicated roles regarding cyber security were introduced into the ICT Team. This is complemented by external specialist advisory support by a globally recognised cyber security and risk advisory organisation.

Directors' and Officers' Liability Insurance

ForHousing has insurance policies in place which indemnify its Non-Executive and Executive Directors against liability when acting on behalf of the organisation.

Political and Charitable Donations

During the year ForHousing made no political contributions and any charitable contributions were made within the normal activities.

Charitable Status

ForHousing Limited is a Community Benefit Society which has been assigned charitable status for tax purposes.

Modern Slavery Act

The Board is aware of its responsibilities under the Modern Slavery Act 2015 and can confirm that it is not aware of any modern slavery or human trafficking incidents having occurred within ForHousing or its supply chain during 2022/23 but will continue to act vigilantly in line with the Act.

Health and Safety Policy

The ForHousing Health and Safety Policy is supported by a robust framework of procedures and the Board receives regular reports on health and safety issues arising from across the organisation, ensuring that visibility and assurance can be provided, and that our continued compliance with legislative requirements is achieved. KPIs are in place, requiring narrative and validity checks to be completed, prior to any reporting.

ForHousing is aware of its responsibilities on all matters relating to health and safety. We have detailed health and safety policies and a robust safety management system in place, and provide training and education to all staff on health and safety matters appropriate to their role. We ensure colleagues that are classed as lone workers have appropriate protections to undertake their role.

No action was taken against ForHousing by any enforcement authorities during the year. There was one Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR)

ForHousing Limited - Annual Report & Financial Statements 2022/23

Report of the Board

reportable incident in September 2022 which was reported to HSE and no actions were taken. The individual concerned has returned to work.

Landlord Health and Safety (LLHS)

The ForHousing Board received detailed compliance reports on its 'big seven' areas of health and safety during the year. The health and safety of ForHousing tenants and colleagues remains the highest priority and is reflected in the risk register, the risk appetite statement and in the assurance programme the Board has put in place. In September 2022, the Board approved the Health and Safety Compliance Framework which outlines our approach to LLHS and provides assurance on meeting the requirements of the Building Safety Act and ensures our tenants are involved in the health and safety of their homes.

Policy Framework

A Policy and Procedure Framework is in place which maps all policies and procedures against required legislation and regulation. The framework provides assurance that ForHousing is meeting its legal and regulatory responsibilities.

Criminal Finances Act 2017

The Board is aware of its responsibilities under the Criminal Finances Act 2017 and is committed to promoting the highest standards of probity in the business activities that ForHousing carries out directly, and those that are associated through our procurement arrangements and supply chain. The practices that are in place to detect and prevent any form of fraud, corruption and money laundering have been strengthened to prevent the criminal facilitation of tax evasion in line with the Act.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

There has been no breakdown in internal control resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year and up to the date of the signing of the accounts.

This report was approved by the Board on 27/09/23 and signed on its behalf by:



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James Barclay
Board Member and Chair of Audit & Risk Committee

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Strategic Objectives

As outlined in the Report of the Board on page 7, ForHousing is a subsidiary of the ForViva Group - all the organisations within the ForViva Group are required to align their strategy to the purpose of *Improved Lives*.

During 2022/23 ForHousing's 2020-2025 Corporate Plan, and supporting strategies, set the objectives and outcomes for the key themes of Homes (through the Asset Management Strategy, the Development Strategy, and the Green Strategy), and Communities (through the Wellbeing Strategy).

The 2020-25 Corporate Plan focussed on the two themes of homes and communities because:

- Homes are the first building block on the journey to a better life, and everyone deserves a safe, warm and comfortable place to call home; and
- Communities influence the wellbeing of people who live and work there, and everybody deserves to be part of a thriving community where they can realise their potential and contribute.

Our ten priority areas (three Homes, seven Communities) were outcome based, and they set out the difference that the organisation needs to make, why this is important and the areas of focus to make this happen.

Key achievements in year against the Corporate Plan outcomes were as follows:

Corporate Plan Theme	Corporate Plan Outcomes
Homes – provide quality homes and places	<p>Together we will invest in homes and places that deliver real lasting change to achieve the following positive outcomes:</p> <ol style="list-style-type: none"> 1. Sustainable – Well designed, truly affordable: <ul style="list-style-type: none"> • Commitment to well designed, truly affordable homes that people want to live in, and in places they want to live; • Extending the supply and type of homes to widen the options for people to choose where they want to live; • Functional, well-maintained homes and places offer the right standard of living for tenants to be proud of where they live; • Good design ensures these places are distinctive and visually attractive, offering green areas and amenities, making places desirable to live and work in; • Being appropriate and flexible ensures homes and places meet the housing need of current and future generations; • Ensuring these are inclusive and well connected facilitates healthy, active and integrated communities. 2. Safe – Protecting People: <ul style="list-style-type: none"> • Tenants are more involved in decisions to improve building safety, and are assured buildings they live in are safe, and through effective management, will remain safe; • All landlord compliance is delivered in a robust and consistent manner and tenants have a clear understanding of obligations in relation to maintaining the safety of their homes; • Procurement practices prioritise high-safety, low-risk options and value for money outcomes. Full life cycle costs are fully understood. 3. Green – Reduced Environmental Impact: <ul style="list-style-type: none"> • New build standards reduce carbon emissions and energy costs for tenants; • Lower fuel bills offer affordable warmth to address fuel poverty; • Homes and places include clean energy, whilst waste is reduced or managed through sustainable and environmentally sound practices.

ForHousing Limited - Annual Report & Financial Statements 2022/23 **Strategic Report**

<p>Communities – Make more things possible for more people</p>	<p>Working in partnership, we will prioritise the right conditions and activities for communities to achieve the following positive outcomes:</p> <ol style="list-style-type: none"> 1. Stable Homes: <ul style="list-style-type: none"> • A secure tenure of a well-maintained home is essential for putting down roots in a community and getting the most out of life opportunities; • Advice and support enables successful tenancies • People who are homeless access services they need to move on into stable accommodation, which we believe to be the first building block on the journey to a better life. 2. Continually Learning: <ul style="list-style-type: none"> • People are supported to acquire the skills and knowledge they need for life and work; • Crucial to our very existence, learning ensures people can successfully adapt in a changing world; • Access to education and training, builds skills, confidence and self-esteem, enabling people to take up further opportunities, such as pathways to work and better-paid, long-term employment. 3. Digitally Able: <ul style="list-style-type: none"> • Technology is embedded in day-to-day life and equal access and use ensures everyone can actively participate; • Digital access closes the digital divide between people who are digitally able and people who are not; • This includes affordable and effective access to the internet and digital devices, and skills needed to make the most of these resources. 4. Person Centered: <ul style="list-style-type: none"> • People influence decisions on what most likely works for them, feeling empowered and respected; • Individuals mutually agree activities and interventions. • This autonomy, the freedom to make choices, listens to and respects their personal priorities; • Keeping the tenant at the heart of everything we do enables us to deliver and develop services that people want and need. 5. Prosperous: <ul style="list-style-type: none"> • Reduced poverty and increased wealth; • Financial resources ensure access to goods and services which affect wellbeing, such as healthy food, utilities and being able to socialise; • Activities provide options to potentially increase income and reduce all forms of poverty, including financial, fuel and food poverty; • This includes training to improve employability and career prospects, options to reduce and avoid debt, access to affordable accommodation and access to affordable warmth. 6. Healthy: <ul style="list-style-type: none"> • Improved physical and mental health; • Physical health can influence when we develop illness and if well managed it can extend the quality of life for longer; • Mental health influences how we feel and act, what choices we make and how we handle stress and relationships with others; • Activities provide options to access and sustain personally rewarding employment, be physically and mentally active, live independently and safely and access green spaces 7. Connected: <ul style="list-style-type: none"> • Increased community cohesion; • After the essential needs of safety, security and shelter are met, people need to connect with others to have a sense of belonging; • This includes valuing the diversity and similarities of different backgrounds and being active citizens in matters of local importance; • People inspired to build strong and positive relationships at home, out in the community and at work are more likely to succeed within these supportive networks;
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ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Communities (continued)	<ul style="list-style-type: none"> Activities involve co-designing priorities for investment, assistance to directly deliver activities considered important and options to give through fundraising and volunteering.
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The Board has reflected on the strategic priorities of the organisation and sought to re-set the strategic direction of ForHousing. Following a period of detailed work between the Board and the Executive Management Team, the new ForHousing Strategy was launched in May 2023, which simplifies and clarifies the strategic intent for stakeholders. The new strategy is aligned to the Board's updated risk appetite, with the clear strategic focus around ForHousing's core purpose of social housing, and clear targets and milestones to demonstrate delivery. The new strategy focusses on three key outcomes:

- Customer focused and equitable services
- Safe, well maintained, sustainable, and affordable homes
- Making the most of our resources

The ForHousing Strategy 2023 – 2028 is provided below.



Risks and Uncertainties

The main strategic risks to ForHousing are reviewed at least quarterly by the Executive Management Team, Audit and Risk Committee and the Board. Those events or risks that could prevent the strategic plans from being achieved are recorded and monitored for each area of the business.

The Risk Management Framework was reviewed and approved by the Board in March 2022, and during the year we have started to embed the principles of the reviewed framework. The framework sets out our approach to risk, and how it is controlled and monitored. Quarterly risk reviews are undertaken with the Executive Management Team and their direct reports.

The ForHousing Risk Register is presented in order of those furthest outside of appetite ranking highest as opposed to those with the highest residual risk score, because it better reflects the risks most likely to crystallise even though those risks have mitigations and assurances in place.

As the Board have set the risk appetite, it is important to understand how well controlled risks are in relation to appetite as that sets the overall direction for risk. This approach also enables Committee, Board Members, and the Executive to consider in year whether the risk appetite is fit for purpose. By understanding how many risks sit outside or inside appetite, we can understand if their tolerances

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

match the activity of the organisation. The risk appetite was reviewed and amended by the Board in December 2022.

The key controls required to manage each risk and three lines of assurance are RAG rated alongside the risk score. The key strategic risks outside of appetite monitored by the Board are shown below.

Strategic Risk	Mitigations in Place
ForHousing is unable to maintain its strategic independence in the ForViva Group and prioritise the protection of Social Housing Assets	<ul style="list-style-type: none"> • The Group's Risk and Assurance Framework and Governance Framework include mitigation around Group entities' influence on ForHousing decisions; • Adherence to constitutional documents mandate actions that have to be taken in relation to decisions that impact ForHousing; • A ForHousing Board member was appointed as Investor Director to Liberty Board in March 2022; • Whilst ForViva remains the ultimate controlling party of Liberty, ForHousing holds preference shares in Liberty which increases ForHousing's influence and control; and • Constitutional documents have been enhanced to mandate actions that have to be taken in relation to decisions that impact ForHousing.
Tenant safety compromised by weak landlord compliance and/or building safety issues	<ul style="list-style-type: none"> • Inspection Programme Reconciliation with Asset Register (reconciliation activity occurs daily, weekly and monthly) to validate information to Board; • Internal Building Safety Forum identifies leaning and improvement from emerging issues, near misses and other incidents; • Detailed Policies and Procedures in all compliance areas; • Split of compliance delivery and assurance between Homes and Health and Safety Teams; • On-going external testing of inspection records for Big Six compliance areas; • Health and Safety internal audit programme in place focused on control and process with external audit validation every three years; and • Development and implementation of robust landlord compliance framework.
Commercial investments are not targeted in line with the requirements of the Investment Policy, or do not generate returns commensurate with the risk	<ul style="list-style-type: none"> • Board reviewed strategic intent and risk appetite on commercial investments, with outcome to reduce commercial exposure; • Investment Policy, including new investment appraisal criteria and exit strategies; • Performance of Commercial Investments reported quarterly to Board through Investment Policy and Golden Rules; • Business Plan performance closely monitored and reported to Board; and • Business Plan Stress Testing and Risk Mitigation Strategies in relation to commercial investments.
Funding and capacity is insufficient to deliver corporate plan requirements and ensure covenant and balance sheet strength	<ul style="list-style-type: none"> • Quarterly monitoring by Board of compliance to Treasury Policy; • Ongoing review of business plan and borrowing assumptions in line with financial markets; • 24-month cash flow monitoring through quarterly treasury report to board; and • Business Plan Stress Testing and Risk Mitigation Strategies and recovery plan reported quarterly to Board.
Financial Performance (Current and Future) Threatened by loss of income and/or increased costs	<ul style="list-style-type: none"> • Financial performance reported monthly to EMT and quarterly top Board; • Efficiency targets not included in the Business Plan until savings achieved;

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Strategic Risk	Mitigations in Place
	<ul style="list-style-type: none"> • Pension Strategy review approved by Board during the year; and • Business plan includes contingencies over and above stretch budget which provides assurance that the Business Plan can absorb underperformance. This includes contingencies for rent collection. Reported to board annually as part of Budget and Business Plan Report.
Data Security compromised due to a cyber-security breach/Incident resulting in fraud, financial loss, reputational issues, loss of data assets resulting in harm to business, staff, and customers.	<ul style="list-style-type: none"> • Mandatory cyber security training programme for all staff and Board members based on Gap Analysis; • Regular Cyber risk advisories to all staff via Intranet; • IT related Policies and Procedures in place addressing all aspects of Cyber security; • 24/7/365 proactive threat notification provided by Darktrace; • Cyber response specialists on formal retainer contract; • Segmented and isolated backups; and • Decentralised ICT services across ForViva Group.
VFM not achieved in the delivery of corporate plan outcomes	<ul style="list-style-type: none"> • VFM Strategy in place; • Vfm metrics reported to EMT monthly and Board quarterly; • Annual Budget and Service Planning - stretch Budget includes 5-year efficiency targets above the Business Plan targets; • Procurement Team audit spend to determine Vfm is achieved within the contract; and • Finance business partners challenge budget holders monthly through budget holder meetings to ensure spend represents Vfm.

In the 2023/24 the Board will review the risk register in full to ensure that the key strategic risks are being monitored as part of a healthy culture of risk management.

Performance During the Year

A performance management framework is in place, which enables all aspects of operational and financial performance to be scrutinised quarterly by the Board and monthly by the Executive Management Team. A suite of key performance indicators (KPIs), targets and tolerances are reviewed and agreed annually by the Board to ensure regulatory and legislative requirements are achieved as a minimum, and to set expectations for service delivery and service improvement.

Despite the significant challenges presented by the challenging operating environment during the year, of the 14 KPIs reported to the Board which had a target, seven (50%) achieved the target for the year or were within the tolerance set by the Board. The seven KPIs which didn't achieve the target (and were outside of the Board's tolerance), were:

- Properties with electrical inspections within 5 years with a valid EICR;
- Lift inspections carried out within statutory timescales;
- Employee Net Promoter Score;
- Tenant Net Promoter Score;
- Operating Margin;
- Social Housing Cost Per Unit; and
- Current tenant arrears.

The key operational KPIs, aligned to the corporate plan priorities, are provided in the Value for Money section, including the reasons the KPIs listed above failed to meet the target.

ForHousing's performance during the year is a testament to the commitment and hard work of frontline staff and support teams, which continues to demonstrate the strength of the organisation.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

Financial Performance

The group operating surplus in the year was £22.7m (2022: £20.7m), achieving an operating margin (overall) of 16.0% (2022: 12.8%). The operating surplus for ForHousing (the Association) was £22.7m (2022: £20.5m).

The operating margin for the year reduced mainly due to:

- the Board invested an additional £5.1m on repairing and maintaining our homes, with over £3m invested to tackle damp and mould;
- cost inflation averaged 10% during the year (peaking at 11.1% in October 2022); and
- ForHousing's rents are set in accordance with the Regulator of Social Housing's Rent Standard, and the Welfare Reform and Work Act 2016. During 2022/23, due to the high inflation environment outlined above and the impact of the cost of living crisis on social housing tenants, the government limited the social housing rent increase to 7%.

Despite the challenges to the operating surplus, we continued to invest in new and existing homes:

- £14.3m (2022: £15.0m) was invested in replacing and improving components of existing homes - £2.0m (2022: £2.0m) of the stock investment programme was charged to the Statement of Comprehensive Income in the year and
- £15.5m (2022: £8.0m) was invested to complete the development of 346 new homes, with a further 148 new homes on-site for completion in future years.

Total net assets stand at £255.6m, an increase of £41.2m over the course of the year, mainly due to the continued focus on development and stock investment which led to the net value of fixed assets increasing by £33.8m to £564.7m

A prior-year adjustment of £2.7m was made to correct an accrual of service charge income in 2021/22 (see Note 32 to the Financial Statements).

As a result of the actuarial valuations during the year, the combined asset on the Group's Defined Benefit pension schemes increased to £4.1m, from a deficit of £8.1m, a positive swing of £12.2m. The Board commissioned an independent review of the year-end actuarial assumptions, which provided assurance that the assumptions adopted were within a reasonable range. During the year the Board continued to review the Group's pension provision, which will provide the Board with options for its future pension's strategy.

Capital Structure and Treasury Policy

The majority of loans are drawn by ForCapital and subsequently on lent to ForHousing in line with ForHousing's requirements. The first tranche £30m of bLEND funding in July 2023 has been drawn, and the second tranche will be drawn in April 2024 and security is already in place for the second tranche.

The loans are secured by way of first fixed charge over the assets of ForHousing, who act as guarantors. Interest rates range between 2.36% and 10.6% on the different loan tranches.

At the end of the year £209.4m (2022: £203.9m) of the debt funding had been drawn, as shown below.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Funder	2022/23		2021/22	
	Total Facility	Total Drawn	Total Facility	Total Drawn
Barclays	65.2	27.7	66.7	45.2
NatWest	107.5	100.5	107.5	107.5
Barings	50.0	50.0	50.0	50.0
Orchardbrook	1.2	1.2	1.2	1.2
bLEND	60.0	30.0	-	-
Total	283.9	209.4	225.4	203.9

The weighted average interest rate for all loans across ForHousing and ForCapital as at 31st March 2023 was 3.7% (2022: 3.4%). To mitigate exposure to interest rate risk, the loan portfolio is split between fixed rate loans of £208.9m (2022: £150.4m) and variable rate loans of £75.0m (2022: £75.0m).

On-lending is permitted from ForHousing to other members of the ForViva Group, with the following restrictions:

- The amount of on-lending from ForHousing shall not exceed a maximum aggregate limit of £35 million;
- Any amounts lent to or invested in non-Group members shall not exceed £5 million in aggregate.

The Board's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Board ensures it has adequate cash resources, borrowing arrangements, overdraft and revolving credit facilities to enable it to meet its business and service objectives.

The Treasury Strategy and Treasury Policy are reviewed and approved by the Board as part of their annual financial planning process. The significant factor influencing the amount and timing of borrowings is the pace of the capital investment and development programmes.

ForHousing and ForCapital borrow only in sterling and do not have any currency risk. Surpluses are invested in approved UK institutions and the Board monitors investment returns. All loans are secured by fixed charges over ForHousing's housing properties.

The financial performance in 2022/23 satisfied all funder covenants.

Cash flows

Cash inflows and outflows for the year are set out in the cash flow statement on page 46. Net cash inflows from operating activities are from the management of housing stock and amounted at £16.6m (2022: £40.1m). The movement on financing activities shows the amounts incurred on interest charges being £10.1m (2022: £7.7m). The cash balance at the end of the financial year was £5.4m (2022: £12.4m).

Investing in the Future

In March 2023, the Board approved a new business plan which included the resources to fund the new ForHousing Strategy. ForHousing will continue to build new affordable homes across the Northwest - our new Business Plan includes the resources to develop 1,337 new homes and to continue to invest in communities over the next 5 years.

We will also continue to invest in the existing housing stock – the 2023 business plan includes £240m over the next 5 years, of which £94.8m is capital works, to ensure we achieve the strategic outcome of *Safe, Well Maintained, Sustainable and Affordable Homes*. The *Sustainable and Affordable* element of the strategy will be delivered through £22m investment to ensure all ForHousing's homes

ForHousing Limited - Annual Report & Financial Statements 2022/23

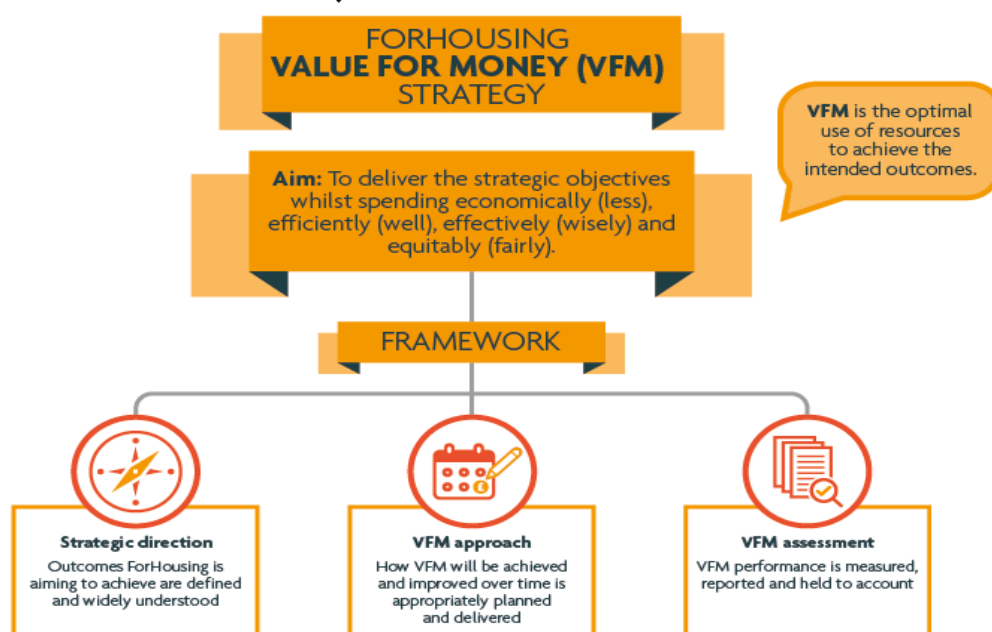
Strategic Report

will achieve Energy Performance Certificate (EPC) Band C performance by 2030, and a further £176m to ensure all homes achieve net-zero carbon emissions by 2050.

We already have a strong track record of delivering high quality homes and services and, through the new ForHousing Strategy we will continue to work with partners to positively impact the lives of our social housing tenants.

Value for Money

The 2020-2025 Value for Money (VfM) strategy outlines the commitments shown below



This VfM statement reports against the third year of the VfM strategy, and its key aim is to support the delivery of ForHousing's strategic objectives. During 2023/24 we will be updating our approach to value for money, with the development of a VfM strategic action plan which will be clearly aligned to the new 2023-2028 ForHousing Strategy.

Our current VfM approach is underpinned by the adoption of a 5-year budget, which sets annual efficiency targets so we can demonstrate improved VfM to our stakeholders and create additional financial capacity to reinvest into our strategic objectives. Operating Margin is a key VfM indicator and it is also the primary driver of Interest Cover, which is our tightest loan covenant. Improving the operating margin allows the Board to increase investment in new and existing homes, and into services that tenants and communities need.

Performance against the Regulator of Social Housing's (RSH's) VfM indicators is shown in the table below. Our performance is compared to a peer group of 13 providers, using the RSH's VfM Benchmarking Tool, and includes organisations who have between 10,000 and 30,000 owned units, with 50% or more of those units in the North-West of England. This group has been chosen because it closely aligns to the characteristics of ForHousing. The peer group information shown below is for the financial year 2021/22, which is the latest information published by the RSH at the time the accounts were prepared.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

	Quartile	2020/21	2021/22 sector median	2021/22 peer group median	Quartile	2021/22	2022/23 target	2022/23 actual	2023/24 target
Business Health									
Operating Margin (overall)	Q2	20.1%	20.5%	16.8%	Q2	18.5%	17.3%	12.8%	16.0%
Operating Margin (overall) excluding CW&C*	Q2	23.3%			Q1	22.1%	20.5%	14.9%	19.4%
Operating Margin (Social Housing Lettings)	Q3	22.5%	23.3%	19.7%	Q2	22.0%	17.4%	15.4%	13.2%
Operating Margin (SHL) excluding CW&C*	Q1	27.3%			Q1	27.8%	22.4%	19.4%	16.1%
EBITDA MRI (as % Interest)	Q2	269.7%	145.7%	111.5%	Q1	266.0%	252.0%	160.4%	217.0%
Development Capacity & Supply									
New Supply - Social Housing Units	Q2	1.0%	1.4%	0.7%	Q3	0.6%	0.7%	0.8%	0.3%
New Supply - Non-Social Housing Units	Q2	0.01%	0.0%	0.0%	Q1	0.1%	0.8%	1.4%	0.0%
Gearing	Q2	44.1%	44.1%	41.2%	Q2	46.4%	49.5%	48.4%	48.0%
Outcomes delivered									
Reinvestment	Q2	12.5%	6.5%	7.0%	Q4	5.2%	11.1%	6.7%	9.5%
Efficient Asset Management									
Return on Capital Employed	Q2	4.6%	3.2%	3.3%	Q2	4.3%	3.6%	4.1%	3.8%
Operating efficiencies									
Headline Social Housing Cost per Unit	Q4	£3,212	£4,150	£3,979	Q4	£3,573	£3,770	£3,942	£3,967

*CW&C relates to properties managed under a housing management contract with Cheshire West and Chester Council

Our performance is explained further below:

- **Operating Margin - a measure of how profitable the organisation is on its day-to-day activities taking into account all operating costs** - we know that our headline operating margin is diluted because the margin on the management of the homes for Cheshire West & Chester was 4.1% during the year, which was in line with the target set by the Board but is significantly below the 12.8% Margin (Overall). Therefore, the underlying Margin (Overall) on the ForHousing properties is 14.9% and the underlying margin (Social Housing Lettings) is 19.4%. The sector as a whole has seen reducing Operating Margins during the year, mainly due to higher Repairs & Maintenance (R&M) costs, and ForHousing is no different. During the year we invested an additional £5.1m on R&M, which included:
 - £3.1m on damp and mould;
 - £0.6m repairing empty homes before they were let;
 - £0.7m due to increased R&M demand during the second half of the year, which has continued into 2023/24; and
 - £0.7m installing carbon monoxide detectors, which was a mandatory requirement introduced during the year.
- Our operating margin was also adversely affected by:
 - the high inflation environment (inflation averaged 10% throughout 2022/23, and peaked at 11.1% in October 2022, which was above the 4.1% increase in our rental income (the 2022 rent increase was 4.1%, which was based on the inflation rate in September 2021 (i.e. 3.1%) +1%);
 - strategic projects undertaken during the year to improve our approach to Equity, Diversity & Inclusion, to strengthen our governance processes, and to develop an Investment Strategy; and
 - additional costs earmarked by the Board to support tenants through the cost of living crisis.
- **EBITDA-MRI - measures the underlying profitability of organisations compared to its loan interest charges, regardless of their depreciation assumptions or financing choices** - the reduced Operating Margin has had an adverse impact on EBITDA-MRI performance however the performance is above the median of our peer group (i.e. 111.5%) and remains strong against the loan covenant requirement (i.e. 110%).
- **Development Capacity & Supply – measures how the organisation is using its available financial capacity to increase the supply of new homes** - the Board is proud of ForHousing's track record for developing new homes, we have developed and acquired 2,072 new homes over the last 10 years (through City West Housing Trust

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

prior to April 2019) covering a diverse mix of tenures, and our performance remains ahead of many of our peers;

- during the year we completed 143 social housing units, which was 35 units above the target for the year, with a further 107 homes on site for delivery in future years;
- the performance on the non-social housing units is due to the completion of 273 units of a 394-unit scheme for market rent. All of these units have been handed over and the scheme was fully occupied at the year-end. The scheme already shows a 9% return on investment (the valuation at the end of the year was over £6m above the construction cost) and the scheme contributes £3m to the overall Operating Margin, which is reinvested into social housing;
- over the next 5 years, through the ForHousing Strategy, our aim is to develop a further 1,337 new homes, which includes 1,297 homes for social or affordable rent, which demonstrates the Board's commitment to the provision of high-quality affordable homes in the areas within which we operate.
- **Gearing - assesses how much of the adjusted assets are made up of debt, and is a key indicator of an organisation's appetite for growth** - we optimise the value of our existing housing assets to continue to invest in new and existing homes – our gearing ratio demonstrates the strength of the ForHousing Business Plan, which maintains strong levels of financial capacity and interest cover headroom; and
- **Reinvestment - measures the investment in new and existing homes as a percentage of total properties held** - in 2022/23 compared to prior year, increased to 6.7% with expenditure on new developments increasing to £15.5m and works to existing properties increased to £12.3m. Included in the capital works to existing properties was £3.8m of decarbonisation works to improve properties with low EPC ratings. Reinvestment is broadly in line with the sector, and our peer group, with the sector median being 6.5% and peer group median 7.0%. This does illustrate a reduction on 2020/21 due to the level of investment in new homes which exceeded £39.0m, due to the timing of development works equates to more than double that incurred during 2022/23;
- **Return on Capital Employed (ROCE) - measures how efficient the organisation is at using its assets to generate profits** – ROCE is a direct function of the operating margins outlined above – the performance reduced in 2022/23, although it outperformed the target, as a result of the additional investment in R&M and the Board's investment in the strategic priorities. ROCE is targeted to improve in future years as a result of the improved Operating Margin;
- **Cost per Unit - assesses the headline social housing cost per unit as defined by the regulator** - the cost per unit increased during the year as a direct result of the additional R&M investment and the strategic projects undertaken by the Board. The Resources Strategy, part of the 2023-2028 ForHousing Strategy, targets investment in technology to improve organisational productivity, which will improve the operating efficiency of the organisation. However, the cycle of component replacements over the next 5 years will see further capital investment in our existing homes, which will increase the cost per unit over the life of the strategy.

The 'Future Value for Money Targets' section on page 34 shows that, over the next 5 years, the successful delivery of the new ForHousing Strategy will improve our VfM performance, creating additional financial capacity for investment in homes and services, and increased loan covenant headroom. However, it's important to balance efficiency with effectiveness - the ForHousing Strategy reflects the vision of *positively impacting the lives of social housing tenants*, which the Board accepts may not be deliverable as a lowest cost organisation.

The table below provides the 2022/23 performance for the internal VfM indicators, which are monitored monthly by the Executive Management Team and quarterly by the Board.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Corporate plan theme	Key performance indicator	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	Actual 2022/23
Homes	% Properties Achieving Decent Homes Standard	100%	100%	100%	100%	100%
	% Properties with a Valid Gas Safety Certificate	100%	100%	100%	100%	100%
	Number of new homes developed	149	176	200	380	416
Communities	Customer Satisfaction	86.6%	88.8%	86.5%	87.0%	83.6%
	% Current Tenant Arrears	3.5%	3.8%	4.4%	4.4%	4.7%
	Rent Collected	99.7%	99.8%	99.0%	99.0%	98.7%
	% Tenancy Turnover	6.2%	5.7%	6.0%	6.5%	5.5%
	Average Days to Re-Let Empty Properties (excluding properties undergoing major repairs) *	15.8	25	15.3	15	15
Other	Employee Satisfaction	92.5%	96.4%	95.0%	95.0%	95.8%
	Employee Turnover	12.8%	9.5%	13.3%	15.0%	21.2%
	Cheshire West & Chester Contract - % contractual KPI's achieved or within tolerance	100%	100%	100%	100%	100%
KEY:		On or above Target	Below Target but within Board Tolerance	Below Board Tolerance		

Further explanation of the 2022/23 VfM performance against our internal targets, in the context of our strategic objectives, is provided below:

Homes:

- We out-performed our target for the number of new homes built, and we had a further 107 homes on-site, which will contribute to the delivery of the 2023/24 programme; and
- The Board is proud of the continued performance on gas safety - we continue to take a zero-tolerance approach to health and safety compliance.

Communities:

- Customer Satisfaction was below the target for the year but was within the Board's performance tolerance. The key drivers of dissatisfaction are linked to tenant communications within the Repairs & Maintenance Service (e.g. keeping tenants informed on the progress of a repair), which we have tackled head on. We've agreed a number of changes to the R&M contract with our contractor, which includes a range of customer focussed KPIs to ensure the service delivered is in line with customer expectations. The updated contract was approved in August 2023, and we expect to see significant improvements in customer service going forward. Improved customer satisfaction is the principal driver of the new ForHousing Strategy;
- The % of Current Tenant Arrears was 0.3% above, and Rent Collected was 0.3% below, the targets set for the year. Our tenants faced significant challenges during the year due to the cost of living crisis, which resulted in a number of customers falling into arrears for the first time even though they had previously maintained a clear rent account. Our approach was to continue to work with tenants and partner agencies to provide solutions to support tenants to remain in their home. Although performance was slightly below the target, we believe that focussing on sustainable tenancies was the right thing to do for our tenants and for the business;
- Tenancy Turnover was lower than the target, and the lowest it's been for the previous 4 years, which is mainly due to our 'eviction as a last resort' policy and additional investment during the year on tenancy sustainment resources, both of which drive more sustainable tenancies; and
- The Average Number of Days to Re-Let Empty Properties (excluding properties undergoing major repairs and Extra-Care properties) was in line with the target set for the year, which demonstrates the continued high demand for ForHousing's homes.

Other:

- The Board is proud of our exceptional Employee Satisfaction performance, which is consistently above 90%. The Board recognises that the strength of ForHousing, and our ability to deliver the new ForHousing Strategy and the commitments made to customers

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

lies in the quality, commitment and contribution of our colleagues, therefore we will continue to set ourselves high-performance targets in this area;

- Employee Turnover was higher than expected during the year, which saw a number of colleagues leaving for higher salaries in other local housing organisations. The Board has instigated a review of front-line salaries, which will conclude in September 2023. Balancing the costs of front-line and back-office services is a key objective in the new ForHousing Strategy; and
- Continued high-performance on the Cheshire West and Chester contract demonstrates high quality services to the tenants in those homes, and real value to the Ellesmere Port and Neston area.

Further evidence of the corporate plan outcomes is provided in the Delivering our Corporate Plan Priorities section below.

Commercial Investments

The Board's Investment Policy sets the framework to ensure the returns from ForHousing's commercial investment activity are commensurate to the risks involved. The ForHousing Board has set the following objectives for its commercial investments:

- Each investment will deliver an enhanced margin which is sustainable over the medium to long term;
- Commercial growth will be focused on proven and profitable core investment areas; and
- Any additional investment will further strengthen the enhanced and sustainable margins.

Liberty Group Investments Limited (LGIL) – in 2016, through on-lending from ForHousing, the ForViva Group acquired LGIL, a multi-disciplinary property services company providing regulation, regeneration, and renewables services to clients across the UK. This was a mixed motive investment, firstly to secure the safety of ForHousing's social housing assets (LGIL provided gas safety services to ForHousing (previously City West Housing Trust) at the time of acquisition), and secondly to produce a financial return which would allow ForHousing to further its strategic objectives.

In 2021/22 the ForHousing Board swapped the outstanding loan to ForViva for an equity stake in Liberty. As a result of the debt to equity swap ForHousing holds preference shares in LGIL which entitle it to 99.99% of the future dividends and capital growth value of Liberty (ForViva is entitled to the remaining 0.01%). The debt to equity swap better reflects the intention of ForHousing's original investment (to provide a financial return to reinvest in social housing assets), and the structure of LGIL's share capital, specifically ForHousing's preference shares, further protects ForHousing's social housing assets whilst at the same time ensuring ForViva retains control of LGIL.

- Liberty's 2022/23 results continued its trajectory of improving financial performance, with an EBITDA of £4.8m and a Profit Before Tax (PBT) of £1.6m, despite the economic challenges posed by the high inflation environment during the year.
- Liberty made a dividend payment to ForHousing of £200k in December 2022 (relating to 2021/22) and the Liberty Board has committed to making a dividend for 2022/23, the amount to be agreed subject to the audit of Liberty's 2022/23 financial statements.
- The Investment Policy forecasts the return on investment for ForHousing from Liberty over the next three years will be 21.4%.
- Liberty continued to deliver 100% gas servicing compliance during the year, securing the on-going safety of ForHousing's assets and customers.
- Liberty's on-going growth and margin improvement continue to improve the capital value of the company, ultimately improving the value of ForHousing's equity investment.
- ForHousing already benefits from on-going VAT savings (because Liberty is part of the ForViva VAT Group, ForHousing does not pay VAT on the labour element of the works carried out by Liberty). The VAT saving represents a 2.8% annual return on the Board's investment, a 19.6% cumulative return on investment since the acquisition in 2016.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

ForLiving Limited – ForLiving is ForHousing's commercial property development company, established to develop and manage homes for outright sale and market rent.

- ForLiving manages ForHousing's market rent portfolio – the investment yield on the market rent portfolio was 7.7% in 2022/23; and
- ForLiving has an on-lending facility from ForHousing, which is utilised to fund the Board's outright sales programme. The Investment Policy forecasts the return on investment for ForHousing from ForLiving over the next five years will be 41%.

Housing Management Contract - on 1st July 2017 ForHousing (formerly City West Housing Trust) secured a 10-year commercial contract to manage and maintain over 5,300 homes in Ellesmere Port and Neston for Chester West & Chester Borough Council.

- During the year the contract delivered a 4.1% financial return for ForHousing.
- Due to the cyclical nature of the expenditure, the forecast financial return over the remaining life of the contract is 3.8%; and
- The contract also delivers:
 - an additional financial return for LGIL, which further strengthens ForHousing's equity investment; and
 - social value to the tenants and residents of Ellesmere Port and Neston.

Delivering our Corporate Plan Priorities 2022/23

Corporate Plan Priority – Homes

The main assets of ForHousing are the homes that we own. Whilst our social purpose is a key driver for the organisation, it is critical that we understand and optimise the use of our asset base. We have a long-established and robust approach to asset management which balances stock investment and divestment, which helps ensure we make informed decisions on whether to hold stock in its current form, dispose of it, invest in it, or convert it to another tenure. Decisions around stock investment, viability and sustainability are made through our asset management net present value (NPV) module, which uses 30-year expenditure and income streams to inform our decision making and ensure that we maximise the return on our asset investments. NPVs are held at individual asset level.

Our asset management strategy and 30-year business plan identify the resources required to maintain and enhance our existing homes. We survey 5% of our stock each year and undertake an independent stock condition survey and validation exercise every 4 years to ensure our stock data and associated investment requirements remain up to date. The latest independent survey was undertaken in November 2021. All investments have defined target rates of return.

During 2022/23 a comprehensive NPV evaluation of ForHousing's owned housing stock was undertaken, identifying the financial and social return of each property, block, and estate to inform the Board's future asset investment strategy.

Using high quality asset performance data to generate the NPVs alongside a robust set of neighbourhood indicators enables the Board to identify properties and schemes which may be becoming unsustainable or are no longer fit for purpose. The intelligence is used to trigger our options appraisal process, ensuring we make informed asset management investment decisions.

In 2022/23 we invested £65m to enable 17,359 households lived in a safe, well maintained, sustainable and stable home. Some of the key outcomes achieved through the Homes Priority in 2022/23 are shown below.



The Board has enhanced its aspirations through the 2023-2028 Homes Strategy, which takes into account the emerging priorities identified through, for example, the White Paper: A New Deal for Social Housing, the Independent Review of Building Regulations and Fire Safety, the Building Safety Act, the review of the Decent Homes Standard and the UK government's target of net zero carbon emissions by 2050.

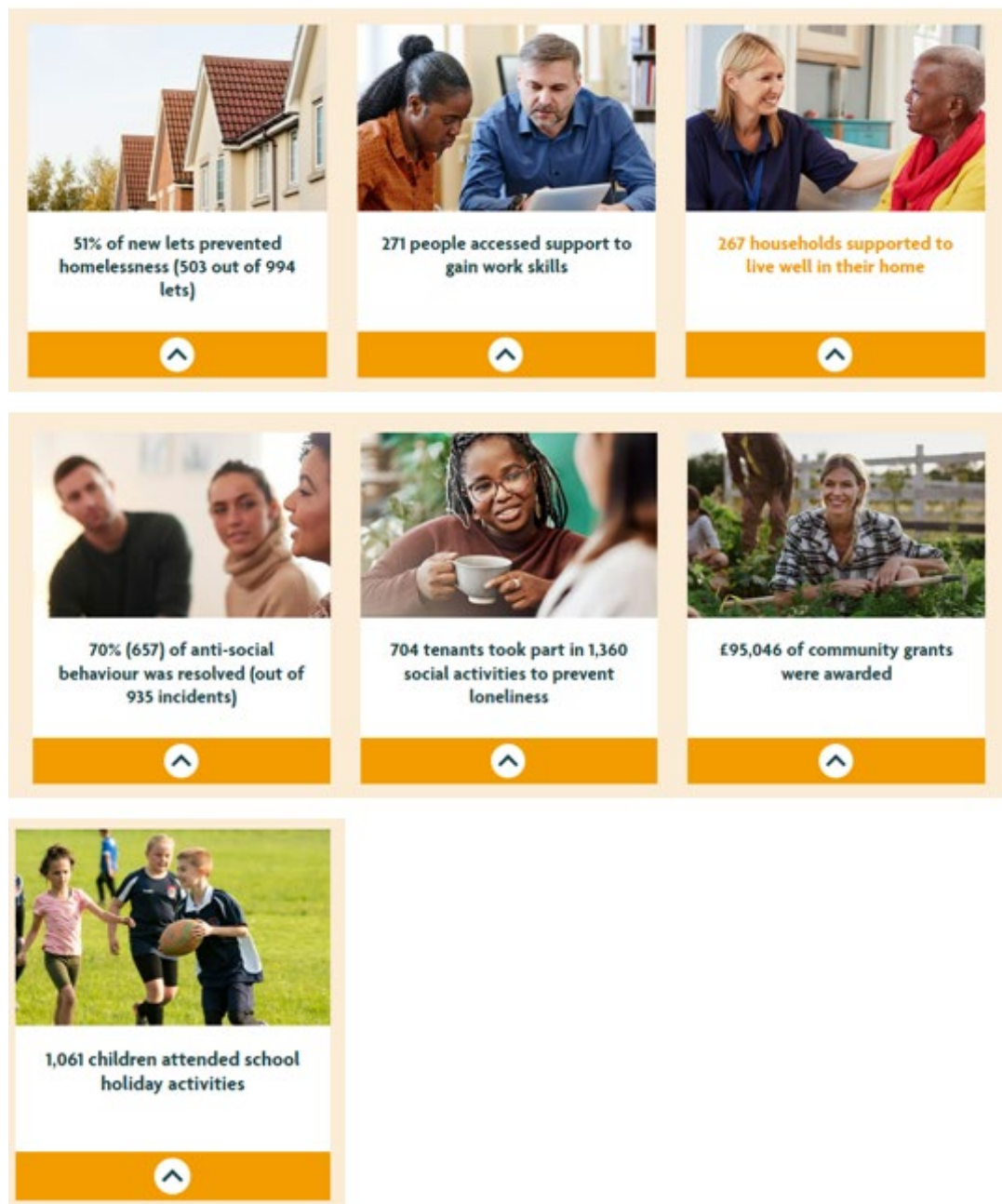
Corporate Plan Priority – Communities

The Wellbeing Strategy set the strategic direction for the Communities theme of the Corporate Plan, including setting the social value outcome targets for ForHousing.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

Social value is evaluated using recognised proxies such as HACT, TOMs (Targets, Outputs, Measures) and New Economy Manchester. We also measure the difference made to participants through recognised survey techniques such as Warwick-Edinburgh Mental Wellbeing Scales and Outcomes Star. All social impact activity evaluations include at least one case study which reports the impact for participants. The full evaluation and key outcomes are summarised in the published Annual Report for Tenants on the ForHousing website

Overall, £1.7m was invested in 32 activities on the Wellbeing Strategy - £0.8m (47%) was funded by ForHousing, with the remainder funded by partner organisations. Some of the key outcomes achieved through the Communities Priority in 2022/23 are shown below.



The 2023 Annual Report for tenants further demonstrates the delivery of the Wellbeing Strategy, with case studies shared through the website or social media channels.

The table below links our Corporate Plan priorities to our Value for Money performance.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

Corporate Plan Theme	Corporate Strategy	Outcomes	Value for Money Regulatory Metrics						
			1	2	3	4	5	6	7
			Reinvest- ment	New supply delivered	Gearing	EBITDA MRI Interest Cover	Headline Social Housing Cost per Unit	Operating Margin	Return on capital employed
Corporate Plan Theme - Homes	Asset Management	Safe, high quality homes							
	Development	1,400 New Homes							
	Green	Net Zero Carbon by 2050							
Corporate Plan Theme - Communities	Wellbeing	Sustainable Tenancies, Social Impact							
Cross-Cutting Themes	Value for Money	Economy, Efficiency, Effectiveness, Equitable							
	People	Employee Satisfaction							
	Tenant Voice	Customer Satisfaction							
	Data & ICT	Customer focussed services delivered efficiently							

Key:

Positive Impact on Metric	No Material Impact on Metric	Potential Adverse Impact on Metric
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The table above shows that:

Corporate Plan Theme – Homes:

- the continued focus on investment in the existing homes will result in a deterioration of a number of the key regulatory VfM metrics, however we know it is important to maintain our homes to a high standard to maintain our occupancy levels and to achieve the customer satisfaction improvements set out in the new 2023-2028 ForHousing Strategy.
- whilst the continued development of new Homes requires upfront investment, increasing our gearing and reducing interest cover, the investment improves the longer-term VfM performance across the full range of sector scorecard metrics.
- the delivery of our net-zero targets will not only meet our medium-term target of all properties being at Energy Performance Certificate (EPC) Band C or above by 2030 (with 97.5% achieved by 2028), it will also mean our homes are more economical to run for our customers leading to increased satisfaction levels, and will put more money in tenants' pockets to improve their ability to navigate the economic challenges and pay their rent. The significant investment in net-zero will, however, have a material impact on the financial capacity available to develop new homes over the long-term.

Corporate Plan Theme – Communities:

- the Board's investment in the Wellbeing Strategy and wellbeing activities may see a marginal deterioration of several financial metrics in the short-term, but over the longer-term supporting tenants to remain in the home and become financially stable will have a positive impact on the tenant and the financial performance of the business.

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

Cross-Cutting Themes:

- the cross-cutting strategies will have a positive impact across a wide-range of our future Value for Money performance.

Future Value for Money Targets

The 5-year budget that the Board approved in March 2023 sets out the Board's VfM improvement targets - the aim is to reduce our operating costs by £3m per year whilst delivering 1,337 new homes. The improvement agenda is based primarily on:

- increased productivity to deliver improved customer service more efficiently.
- investment in technology to increase automation and standardisation; and
- increasing the level of investment in front-line services as a proportion of back-office costs.

Our VfM targets, based on the Board approved budget, are shown below.

Future VfM Targets:

Regulatory VfM Targets

	Target 2023/24	2024/25	2025/26	2026/27	2027/28
<i>Business Health</i>					
Operating Margin (overall)	16.0%	17.9%	18.9%	18.7%	21.8%
Operating Margin (overall) excluding CW&C*	19.4%	21.1%	21.9%	21.7%	22.7%
Operating Margin (Social Housing Lettings)	13.2%	15.1%	16.1%	16.0%	19.0%
Operating Margin (SHL) excluding CW&C*	16.1%	17.9%	18.8%	18.7%	19.8%
EBITDA MRI (as % Interest)	217.0%	218.1%	223.2%	214.5%	213.6%
<i>Development Capacity & Supply</i>					
New Supply - Social Housing Units	0.3%	0.9%	2.5%	2.0%	1.2%
New Supply - Non-Social Housing Units	0.0%	0.1%	0.1%	0.1%	0.0%
Gearing	48.0%	47.4%	46.9%	43.0%	39.4%
<i>Outcomes delivered</i>					
Reinvestment	9.5%	13.0%	13.0%	7.2%	9.8%
<i>Efficient Asset Management</i>					
Return on Capital Employed	3.8%	4.3%	4.3%	4.4%	4.6%
<i>Operating efficiencies</i>					
Headline Social Housing Cost per Unit	£3,967	£4,024	£3,940	£4,032	£4,544

*CW&C relates to properties managed under a housing management contract with Cheshire West and Chester Council

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

Internal VfM Targets

Corporate plan theme	Key performance indicator	Actual 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
Homes	% Properties Achieving Decent Homes Standard	100%	100%	100%	100%	100%	100%
	% Properties with a Valid Gas Safety Certificate	100%	100%	100%	100%	100%	100%
	Number of new homes developed	416	64	174	495	410	194
Customers	Customer Satisfaction (new Tenant Satisfaction (Perception) Measure) ¹	72% (Pilot)	72%	75%	80%	85%	85%
	% Current Tenant Arrears	4.7%	4.4%	4.4%	4.2%	4.0%	4.0%
	Rent Collected	98.7%	99.0%	99.2%	99.4%	99.6%	99.8%
	% Tenancy Turnover	5.5%	6.0%	6.0%	5.5%	5.5%	5.5%
	Average Days to Re-Let Empty Properties (excluding properties undergoing major repairs) ²	15	22	15	15	15	15
Resources	Employee Satisfaction (new Best Companies Score) ³	New Target	659.5	678.0	696.5	717.0	738.0
	Employee Turnover	15.0%	15.0%	14.0%	12.0%	11.0%	10.0%
	Cheshire West & Chester Contract - % contractual KPI's achieved or within tolerance	100%	100%	100%	100%	100%	100%

Notes:

- From April 2023 we will be measuring tenant satisfaction using the Regulator's new Tenant Satisfaction Measures (TSM's), which measure a tenants satisfaction based on their perception of ForHousing - perception survey scores are usually lower than transaction survey scores, which is how we have measured our performance to date. TSM's are the key driver in the new ForHousing Strategy, therefore our Year 5 target will put ForHousing in the top quartile in the sector.
- The Board has agreed to reduce the target for 2023/24 to enable the resources to be redirected towards damp and mould. The target will return to 15 days from April 2024.
- Our employee satisfaction scores have remained high; however, we want to do even better. From April 2023 we will be measuring employee satisfaction and engagement using the Best Companies score, which assesses performance across a range of sectors - the ambitious Year 5 target is 'world class', which demonstrates the value of our employees to the delivery of the ForHousing Strategy.

Our VfM strategy reflects ForHousing's mission to:

- provide safe, well-maintained, affordable homes; and
- deliver customer focused, equitable and efficient services.

The tables above shows that, over the next 5 years, the successful delivery of the 2023-2028 ForHousing Strategy will improve ForHousing's VfM performance. As outlined above, the strategy reflects the vision of *positively impacting the lives of social housing tenants*, which the Board accepts may not be deliverable as a lowest cost organisation.

Over the next 5 years, as part of the annual review of the ForHousing Strategy, the Board may choose to reinvest some of VfM improvements into improved homes and services. Any changes to the targets will be reported in future VfM statements.

Considering the actions and initiatives set out above, the Board believes that ForHousing complies with the requirements of the Value for Money standard. The 2023-2028 ForHousing Strategy demonstrates the Board's strategic approach to Value for Money, and we feel that the current and future plans will continue to optimise the value that ForHousing delivers to its customers and other stakeholders.

Future Prospects

The prospects for ForHousing remain positive. During the recent IDA, ForHousing retained its V1 grading. Whilst our governance was downgraded in year, this related to specific and historic matters, and the related elements of our governance connected to the respective controls are being enhanced via the Governance and Regulatory Improvement plan (GRIP). The GRIP has been approved by the

ForHousing Limited - Annual Report & Financial Statements 2022/23 Strategic Report

Regulator of Social Housing and progress against the actions outlined is monitored closely by the Regulatory team as they support us in our journey back to compliance.

A skilled and experienced Board is in place, and the Board has approved a five-year strategic and financial plan which set out the aims, objectives, and targets for the business. The new ForHousing Strategy was launched in May 2023, aimed at bringing the tenant into the heart of all that we do, and focusing on our offering to tenants and colleagues to achieve our purpose to positively impact the lives of all our social housing tenants. This plan has been carefully aligned to our business plans and stress tests and Board are confident in the future prospects and ability to deliver the plan.

Governance and risk management processes are in place ensuring ForHousing complies with its legal and regulatory duties and can deliver its objectives. We are evolving our approaches in these areas to simplify governance structures and fully embed risk management across all layers of the business, whilst ensuring we remain fully accountable to our tenants.

The financial plans have been extensively stress-tested, and the results demonstrate that the organisation has the capacity to withstand a wide range of adverse economic events and remain viable.

The government's rent policy provides medium-term revenue certainty, with social and affordable rents increasing by CPI+1% per annum up to March 2025. The business plan includes the capacity to deliver 1,337 new homes over the next 5 years, and to ensure all ForHousing's homes achieve EPC Band C by 2030.

Going Concern

The Board is confident that ForHousing remains a going concern for the following key reasons:

- The ongoing preparation of detailed financial forecasts and business plans:
 - During 2022/23, as a result of the cost-of-living crisis and its impact on ForHousing's tenants and customers, the ForHousing Board regularly discussed the financial pressures on the organisation;
 - ForHousing's 5-year budget and the 30-year business plan were reviewed, and the Board undertook detailed sensitivity analysis and extensive stress-testing of the Business Plan to understand the specific impact of a number of perfect storm scenarios;
 - In March 2023, the ForHousing Board approved a 5-year budget and 30-year Business Plan for 2023/24, both of which demonstrate the strong performance will continue; and
 - The 2023/24 Business Plan includes a minimum of 48 months liquidity, operates within the terms of the funding facilities, and facilitates the completion of the Board's 2020-2025 Development Strategy.
- The on-going sensitivity analysis and stress testing of the prudent ForHousing Business Plan demonstrates that:
 - The Plan contains sufficient headroom to absorb a significant downturn in financial performance.
 - The organisation has sufficient cash and can continue to meet the financial covenants within the loan facilities; and
 - A financial Recovery Plan is in place should a significant economic downturn lead to further corrective actions being required.
- ForHousing, through direct lending facilities and ForCapital, has access to undrawn loan facilities of £74.5m and the 2023/24 Business Plan shows ForHousing retains adequate liquidity for a minimum of 48 months from April 2023 – the Board has approved that this meets their Treasury Management Policy requirements.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Strategic Report

- Open dialogue is maintained with ForHousing's funders and bankers, and all of their funders have reaffirmed their commitment to continue to support ForHousing to meet the short-term and long-term cash and funding requirements; and
- Whilst ForHousing's Statement of Financial Position shows net current liabilities of £4.5m (2022 net current liabilities: £0.7m), it also shows that ForHousing has net assets of £255.6m (2022: £214.4m), including a closing cash and cash equivalents position of £5.4m (2022: £12.4m).

Having assessed the current and forecast economic environment, and all the factors as set out above, the Board is confident that ForHousing has adequate resources to continue in operational existence for the foreseeable future and has therefore adopted the going concern basis in these financial statements.

Statement of Compliance

The Board confirms that the Board Report, Strategic Report, and the financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended

Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Statement of Director's Responsibilities

Statement of the Board's Responsibilities in respect of the Report of the Board and the Financial Statements

The Board of Directors are responsible for preparing the Report of the Board, the Strategic Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Registered Provider and of the surplus or deficit 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Registered Provider will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Registered Provider and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. It has general responsibility for taking reasonable steps to safeguard the assets of the Registered Provider and to prevent and detect fraud and other irregularities.

The report of the Board was approved by the Board on 27/09/23 and signed on its behalf by:



.....
Paul Kennedy
Chair of the Board

ForHousing Limited - Annual Report & Financial Statements 2022/23

Independent Auditors Report to the Directors

Opinion

We have audited the financial statements of ForHousing Limited (the 'Association') and its subsidiaries (the "Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Association Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Reserves, the Association Statement of Changes in Reserves, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 and the Association's affairs as at 31 March 2023 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014, 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 company 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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or 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 annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material

ForHousing Limited - Annual Report & Financial Statements 2022/23

Independent Auditors Report to the Directors

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 35, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and the 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 company or to cease operations, or has 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.

The Extent to Which the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Independent Auditors Report to the Directors

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-Operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and the Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements are most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

The engagement partner on the audit resulting in this independent auditor's report is John Guest.

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

Use of Our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Ninth Floor, Landmark, St Peter's Square
1 Oxford Street
Manchester M1 4PB

27/09/23

ForHousing Limited - Annual Report & Financial Statements 2022/23
Consolidated Statement of Comprehensive Income

			Restated
	Note	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Turnover	3	126,385	111,379
Operating Expenditure			
Operating Costs	3	(108,092)	(92,874)
Costs of Sales		(2,072)	(120)
Gain on Disposal of Property, Plant and Equipment	6	6,496	2,278
Operating Surplus		22,717	20,663
Movement in fair value of investment properties	14	15,989	3,260
Other Income – LGIL Dividend		-	200
Interest Receivable	7	254	1,255
Interest Payable and Financing Costs	8	(10,106)	(7,725)
Surplus Before Taxation		28,854	17,653
Taxation on Profit on Ordinary Activities	11	(3)	8
Surplus for the Year		28,851	17,661
Other Comprehensive Income			
Remeasurements Gain in Respect of Pension Schemes	23	12,302	20,761
Total Comprehensive Income for the Year		41,153	38,422

All amounts relate to continuing activities.

The notes on pages 48 to 98 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 27/09/23 and signed on its behalf by:

		
James Barclay Board Member and Chair of Audit & Risk Committee	Harriet Rushton Group Company Secretary	Paul Butterworth Board Member


ForHousing Limited - Annual Report & Financial Statements 2022/23
Association Statement of Comprehensive Income

	Note	Year Ended 31 st March 2023 £'000	Restated Year Ended 31 st March 2022 £'000
Turnover	3	124,994	110,225
Operating Expenditure			
Operating Costs	3	(106,673)	(92,125)
Costs of Sales		(2,072)	-
Gain on Disposal of Property, Plant and Equipment	6	6,496	2,396
Operating Surplus		22,745	20,496
Movement in Fair Value of Investment Properties	14	15,989	3,260
Other Income – Gift Aid		286	428
Interest Receivable	7	253	1,255
Interest Payable and Financing Costs	8	(10,106)	(7,725)
Surplus Before Taxation		29,167	17,714
Taxation on Profit on Ordinary Activities	11	(3)	8
Surplus for the Year		29,164	17,722
Other Comprehensive Income			
Remeasurements Gain in Respect of Pension Schemes	23	12,302	20,761
Total Comprehensive Income for the Year		41,466	38,483

All amounts relate to continuing activities.

The notes on pages 48 to 98 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 27/09/23 and signed on its behalf by:



James Barclay
**Board Member and
Chair of Audit & Risk
Committee**



Harriet Rushton
Group Company Secretary



Paul Butterworth
Board Member

ForHousing Limited - Annual Report & Financial Statements 2022/23
Consolidated Statement of Financial Position

	Note	Year Ended 31st March 2023 £'000	Restated Year Ended 31st March 2022 £'000
Fixed Assets			
Tangible Fixed Assets - Housing Properties	12	414,930	405,913
Investment Properties	14	116,850	92,481
Tangible Fixed Assets – Other	13	7,292	6,864
Long Term Investments	15	25,646	25,646
		564,718	530,904
Long Term Debtors	17	5,000	9,442
Current Assets			
Properties Held for Sale	16	1,090	1,050
Stock		12	73
Trade and Other Debtors	17	28,352	15,156
Cash and Cash Equivalents		5,356	12,370
		34,810	28,649
Creditors: Amounts Falling Due Within One Year	18	(38,781)	(27,342)
Net Current Assets/(Liabilities)		(3,971)	1,307
Total Assets Less Current Liabilities		565,748	541,653
Creditors: Amounts Falling Due After More Than One Year	19	(314,219)	(319,102)
Provisions for Liabilities			
Pension (Liability)/Asset	23	4,089	(8,084)
Total Net Assets		255,618	214,467
Reserves			
Income and Expenditure Reserve		255,618	214,467
Total Reserves		255,618	214,467

The notes on pages 48 to 98 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 27/09/23 and signed on its behalf by:

		
James Barclay	Harriet Rushton	Paul Butterworth
Board Member and Chair of Audit & Risk Committee	Group Company Secretary	Board Member

Registered Number: 30483R

ForHousing Limited - Annual Report & Financial Statements 2022/23
Association Statement of Financial Position

	Note	Year Ended 31 st March 2023 £'000	Restated Year Ended 31 st March 2022 £'000
Fixed Assets			
Tangible Fixed Assets - Housing Properties	12	415,325	405,913
Investments	15	25,611	25,611
Investment Properties	14	116,850	92,481
Tangible Fixed Assets – Other	13	7,292	6,864
Long Term Investments	15	35	35
		565,113	530,904
Long Term Debtors	17	5,000	9,442
Current Assets			
Properties Held for Sale	16	1,090	1,050
Trade and Other Debtors	17	28,179	15,669
Cash and Cash Equivalents		3,593	11,550
		32,862	28,269
Creditors: Amounts Falling Due Within One Year	18	(37,318)	(28,995)
Net Current Assets/(Liabilities)		(4,456)	(726)
Total Assets Less Current Liabilities		565,657	539,620
Creditors: Amounts Falling Due After More Than One Year	19	(314,209)	(317,234)
Provisions for Liabilities			
Pension (Liability)/Asset	23	4,089	(8,084)
Total Net Assets		255,537	214,302
Reserves			
Income and Expenditure Reserve		255,537	214,302
Total Reserves		255,537	214,302

The notes on pages 48 to 98 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 27/09/23 and signed on its behalf by:

		
James Barclay Board Member and Chair of Audit & Risk Committee	Harriet Rushton Group Company Secretary	Paul Butterworth Board Member

Registered Number: 30483R

ForHousing Limited - Annual Report & Financial Statements 2022/23
Consolidated Statement of Cash Flows

		Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
	Note		
Net Cash Generated from Operating Activities	30	16,948	40,119
Cash Flow from Investing Activities			
Purchase and Refurbishment of Tangible Fixed Assets - Housing Properties	12	(27,859)	(43,832)
Purchase and Refurbishment of Other Tangible Fixed Assets	13	(668)	(338)
Purchase and Refurbishment of Investment Properties	14	(8,379)	-
Proceeds from Sale of Tangible Fixed Assets	6	10,283	6,521
Grants Received	20	8,165	2,221
Interest Received	7	254	1,255
Cash Flow from Financing Activities			
Interest Paid	8	(10,677)	(7,147)
New Secured Loans/Financing costs	22	7,029	16,545
Loan to Group Entities		-	(9,672)
Repayment of Borrowings		(2,110)	-
Net cash used in financing activities		(5,757)	(274)
Net Increase/(Decrease in Cash and Cash Equivalents)		(7,014)	5,672
Reconciliation of Net Cash Flow to Movement in Net Debt			
Opening Net (Debt)			
Cash and Cash Equivalents		12,370	6,698
Loans		(201,259)	(185,284)
		(188,889)	(178,586)
Changes in Net Debt Arising from:			
Cash Flows from Entity page		(7,014)	5,672
Movement in borrowings		(4,926)	(16,545)
Movement in Net (Debt):		(12,322)	(10,873)
Closing Net (Debt):			
Cash and Cash Equivalents		5,356	12,370
Loans	22	(206,185)	(201,259)
Closing Net (Debt):		(200,829)	(188,889)

The notes on pages 48 to 98 form part of these financial statements.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Statement of Reserves

Consolidated Statement of Reserves	Income and Expenditure Reserve £'000	Total Reserves £'000
Balance as 1st April 2021 Restated	176,051	176,051
Surplus for the Year as restated	17,653	17,653
Other Comprehensive Income for the Year	20,761	20,761
Balance as 1st April 2022	214,465	214,465
Surplus for the Year	28,851	28,851
Other Comprehensive Income for the Year	12,302	12,302
Balance at 31st March 2023	255,618	255,618

Association Statement of Reserves	Income and Expenditure Reserve £'000	Total Reserves £'000
Balance as 1st April 2021 Restated	175,945	175,945
Surplus for the Year as restated	17,714	17,714
Other Comprehensive Income for the Year	20,761	20,761
Adjustment in Relation to Prior Year	(118)	(118)
Balance as 1st April 2022	214,302	214,302
Surplus for the Year	29,164	29,164
Other Comprehensive Income for the Year	12,302	12,302
Adjustment	(231)	(231)
Balance at 31st March 2023	255,537	255,537

The notes on pages 48 to 98 form part of these financial statements.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Notes to the Financial Statements

1. Legal Status

ForHousing Limited is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (registration number 30483R) at 52 Regent Street, Eccles, Salford M30 0BP. ForHousing is also registered with the Regulator of Social Housing (registration number L4528).

ForHousing became a ForViva Group member on 1st June 2015 at which point it was called City West Housing Trust (CWHT). The organisation became ForHousing as of 1st April 2019 when the two other registered providers of social housing within the Group, Villages Housing Association and Villages Community Housing Association, merged into CWHT and the organisation was renamed to ForHousing. At the same time the entire issued share capital of ForCapital Limited was transferred to ForHousing Limited.

As such, the results and cashflows of all the combining entities have been brought into the consolidated financial statements of the group from 1st April 2019.

From 1st April 2019, the ForViva Group began operating a new governance structure. The parent company ForViva Group Limited was deregistered as a registered provider of social housing and re-constituted as a Community Benefit Society.

On 31st March 2022, following the completion of a Strategic Business Review during the year, ForLiving Limited and ForViva DevCo Limited (DevCo) transferred from the parent company, ForViva Limited, into ForHousing Limited.

In the opinion of the Board, both these transactions constitute a group reorganisation and consequently the transaction has been accounted for using the principles of merger accounting.

2. Accounting Policies

Basis of Accounting

The financial statements of the Association have been prepared in accordance with Financial Reporting Standard 102: Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 (Updated). The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regenerations Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. ForHousing is classed as a Public Benefit Entity under FRS102. The financial statements are presented in Sterling and rounded to the nearest £1,000, except where otherwise indicated.

The Association being a subsidiary of ForViva Group Limited has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS102:

- Key management personnel compensation as per section 33 paragraph 33.6
- Related party transactions as per section 33 paragraph 33.9
- Financial instruments as per section 11 and 12
- Cash flow statement and related notes as per section 7

2. Accounting Policies (Continued)

ForViva Group Limited's financial statements in which ForHousing's financial statements are consolidated can be obtained from the registered address 52 Regent Street, Eccles, Salford M30 0BP.

Going Concern

The Board is confident that ForHousing remains a going concern for the following key reasons:

- The ongoing preparation of detailed financial forecasts and business plans:
 - During 2022/23, as a result of the cost of living crisis and its impact on ForHousing's tenants and customers, the ForHousing Board regularly discussed the financial pressures on the organisation;
 - ForHousing's 5-year budget and the 30-year business plan were reviewed, and the Board undertook additional detailed sensitivity analysis and stress-testing of the Business Plan during the year to understand the specific impact of a number of perfect storm scenarios;
 - The performance of ForHousing during 2022/23 was strong – despite the ongoing financial pressures faced by the sector, ForHousing out-performed its financial targets during the year and the majority of its operational targets were achieved;
 - In March 2022, the ForHousing Board approved a 5-year budget and 30-year Business Plan for 2022/23, both of which demonstrate the strong performance will continue; and
 - The 2022/23 Business Plan includes a minimum of 48 months liquidity, operates within the terms of the existing and new funding facilities, and facilitates the completion of the Board's 2020-2025 Development Strategy.
- The on-going sensitivity analysis and stress testing of the prudent ForHousing Business Plan demonstrates that:
 - The Plan contains sufficient headroom to absorb a significant downturn in financial performance;
 - The organisation has sufficient cash and is able to continue to meet the financial covenants within the loan facilities; and
 - A financial Recovery Plan is in place should a significant economic downturn lead to further corrective actions being required.
- ForHousing, through direct lending facilities and ForCapital, has access to undrawn loan facilities of £74.5m and the 2022/23 Business Plan shows ForHousing retains adequate liquidity for a minimum of 48 months from April 2022 – the Board has approved that this meets their Treasury Management Policy requirements;
- Open dialogue is maintained with ForHousing's funders and bankers, and all of their funders have reaffirmed their commitment to continue to support ForHousing to meet the short-term and long-term cash and funding requirements; and
- Whilst ForHousing's Statement of Financial Position shows net current liabilities of £4.5m (2022 net current liabilities: £0.7m), it also shows that ForHousing has net assets of £255.6m (2022: £214.3m), including a closing cash and cash equivalents position of £5.4m (2022: £12.4m).

Having assessed the current and forecast economic environment, and all the factors as set out above, the Board is confident that ForHousing has adequate resources to continue in operational existence for the foreseeable future and has therefore adopted the going concern basis in these financial statements.

2. Accounting Policies (Continued)

Critical Judgements in Applying Accounting Policies

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

The following judgements have had the most significant effect on amounts recognised in the financial statements:

- *Capitalisation of Development Schemes*

Determining the point at which a scheme is more than likely to continue, allowing capitalisation of associated development costs (including capitalised wages and salaries), requires judgement. After capitalisation, management monitors the asset and considers whether changes indicate that impairment is required. Management makes a judgement to determine the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties between current and fixed assets.

In addition to the governance arrangements:

- ForViva, through the Group Audit & Risk Committee, sets the accounting policies and approves the Financial Regulations of the Group entities (i.e. ForHousing and Liberty); and
- ForViva sets the Group's overarching vision for the Group (outlined through the ForViva Way), which provides the principles for ForHousing's and Liberty's strategy and operating policies. ForViva, as a community benefit society, benefits through the social impact delivered by the subsidiary companies.

As a result the consolidation of the financial statements of ForHousing and LGIL into the ForViva Group financial statements remains appropriate.

- *Costs to Complete*

The anticipated costs to complete on a development scheme are based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, management then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.

- *Impairment*

Whether there are indicators of impairment of ForHousing's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. When indicators of impairment are identified management will be required to complete an impairment review. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value – Social Housing (EUV-SH) or depreciated replacement cost.

- *Investment Properties*

The categorisation of housing properties as investment properties or property, plant and equipment is based on the use of the asset. Investment properties are professionally valued

2. Accounting Policies (Continued)

annually by an external firm of chartered surveyors on the basis of either Market Value – Vacant Possession (MV-VP) or Market Value – Subject to Tenancies (MV-ST).

The rental income of each property has been individually assessed and for certain properties it has been ascertained that in arriving at MV-ST no deduction from the prevailing MV-VP needs to be made.

Critical Estimates and Assumptions in Applying Accounting Policies

The following estimates and assumptions have had the most significant effect on amounts recognised in the financial statements:

- *Tangible Fixed Assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. See Note 12 for the net book value of tangible fixed assets.

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. The net book value of housing properties is £415.3m (2022: £406.0m) (see Note 12 for further information).

- *Defined Benefit Pension Schemes*

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit asset of £6.7m (2022: £8m deficit).

In the year ended 31 March 2023, the actuarial valuation for FRS102 showed a surplus of assets over liabilities at that date of £4.1m (2022: liability position of £8.1k). In accordance with FRS102 paragraph 28.22, a pension scheme asset is recognised on the balance sheet only to the extent that pension scheme trustees have agreed a right to a refund from the scheme or entitlement to reduced future contributions at the balance sheet date. Judgement has been applied in determining whether the pension scheme asset is recoverable and in the opinion of the board, the pension scheme asset is recoverable on the basis of the right to reduced contributions and the asset has been restricted to the present value of expected future service costs.

Basis of Consolidation

The consolidated financial statements include the financial statements of the ForHousing Limited and its subsidiary undertakings in ForCapital, ForViva DevCo and ForLiving to 31st March 2023.

Control is established when the Group has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in associates are accounted for at cost less impairment in the individual financial statements.

2. Accounting Policies (Continued)

As noted under legal status the principles of merger accounting have been adopted for Group reconstructions.

Turnover

Turnover is measured at the fair value of the consideration received or receivable. The Association 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 and other properties developed for sale;
- Service charge receivable;
- Revenue grants;
- Proceeds from the sale of land;
- Commission receivable for the provision of property management services to external providers

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 are recognised at the point of the legal completion of the sale.

In an agency relationship whereby the Association collects rental income and service charges on behalf of a customer only the commission received for performing this service is recognised as revenue for the entity.

Service Charges

The Association has both fixed and variable service charges for its tenants and leaseholders. 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.

Social Housing and Other Government Grants

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income (SOCi) when the conditions for receipt of agreed grant funding are met. The grant is recognised over the same period that the expenditure relates to.

Government grants include grants receivable from Homes England, local authorities, and other Government organisations. Grants in relation to newly acquired or existing housing properties are accounted for using the accruals model. Grants are carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the SORP the useful life of the housing property structure has been used and, where applicable, its individual components (excluding land).

Where a social housing grant (SHG) funded property is sold or other relevant event occurs, the grant can become repayable or recyclable under certain conditions. If the grant is recyclable it is transferred to a recycled capital grant fund (RCGF) until it is reinvested in a project approved by Homes England (formally the Homes and Communities Agency). SHG may have to be repaid if certain conditions are not met. If there is no requirement to recycle or repay the grant on disposal

2. Accounting Policies (Continued)

of the assets or other relevant event then any grant remaining within creditors is released and recognised as revenue within the Statement of Comprehensive Income. In the case of proceeds from right to acquire (RTA) sales only the attributed grant is recyclable through the RCGF. The net proceeds are then reinvested in line with the Association's objectives and purpose.

SHG received in advance from Homes England is included as a current or long-term liability in line with the capitalisation and depreciation of the associated capital spend. This is credited to the SOCI.

Property Managed by Others

Where the Association carries the financial risk on property managed by others, all the income and expenditure arising from the property is included in the SOCI of the Association. In both cases, where revenue grants are claimed by the Association, these are included as income in the SOCI and expenditure to the extent that they are passed to the agent.

Interest

Interest payable is charged to the SOCI on an accrual basis in the year and any interest receivable is credited to the SOCI in the year.

Taxation

No corporation tax is payable on the surpluses of the charitable activities of the Association. Those activities that are not deemed to be for charitable purposes are liable to corporation tax.

Current & Deferred Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Value Added Tax (VAT)

ForHousing is part of the ForViva Group Limited VAT Group which is VAT registered. However, a large proportion of its income, rents and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

VAT Shelter Agreement

ForHousing has an HMRC approved VAT Shelter with Salford City Council (the Council) which commenced on 6th October 2008 and will cease on the 30th September 2023. As a result, a large proportion of VAT incurred on the Investment Programme under this arrangement is expected to be recovered in full, with the Council sharing the proceeds thereafter. The current accounting rules allow ForHousing to recognise the net effect of this agreement in the financial statements. FRS 102 requires these agreements to be shown gross – this means in effect that ForHousing will need to recognise both a prepayment (debtor) and a payment in advance (creditor) for the VAT Shelter amount. The agreement with The Council was based on works of £483,404,436. A cumulative calculation is carried out each year to 31st March to determine the closing balance entries on the short term and long-term creditors and debtors.

2. Accounting Policies (Continued)

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised. Works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Existing Housing Assets

Housing properties are principally properties which are available for rent and are stated at cost less depreciation and impairment. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. This is not a change in policy compared to previous years.

The Association capitalises major repairs expenditure on housing properties which results in an enhancement of economic benefit of the asset, subject to a de minimis level of expenditure of £500. Costs will be capitalised when they result in an enhancement in economic benefit of the asset. This could include:

- an increase in rental income;
- a reduction in maintenance costs; or
- a significant extension of the life of the property.

These improvement works are capitalised upon completion. Any direct staff time spent on schemes up to completion are capitalised to the respective scheme during the year. Depreciation commences at the date of capitalisation and is then calculated over the economic life of the improvements.

All other expenditure incurred in respect of general repairs to housing stock will be charged to the SOCI in the year in which it is incurred.

New Housing Assets

Development

Housing properties in the course of construction are held at cost in 'Assets Under Construction' and are not capitalised and depreciated until completed and occupied. Only development costs that arise directly from the construction of a property are capitalised. Those costs that cannot be directly attributable are charged to the SOCI in the year in which they are incurred.

Acquisitions

Only costs that arise directly from the acquisition of a property are capitalised. Those costs that cannot be directly attributable are charged to the SOCI in the year in which they are incurred. Any grant funding received will be amortised over the life of the asset.

Depreciation – Housing Assets

The Association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

2. Accounting Policies (Continued)

Where properties have been purchased since transfer the total acquisition costs will be split between Land (30%) and Property Structural (70%) components and depreciated over their relevant expected economic life shown in the table below.

The Association depreciates the major components of its housing properties at the following annual rates:

Component		UEL in Years
General Structure		80
Roofs	Flat	20
	Bay	25
	Pitch	60
CCTV, Door Entry, Stairlifts, Hoists		10
Boilers		15
Kitchens, Ramps		20
Flooring		25
Bathrooms, Heating Systems, Windows, Doors, Lifts, External Render, Balconies, PV Panels		30
Drainage		40

Freehold land is not depreciated.

Shared Ownership

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

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. The remaining element is classed as Property Plant and Equipment (PPE) and included in completed housing properties at cost less depreciation and impairment.

Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Properties Held for Sale

Shared ownership first tranche sales, completed properties for outright sale and properties under construction are valued 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 price after allowing for all further costs of completion and disposal. They are also reviewed for impairment as part of determining the net realisable value.

ForHousing Limited - Annual Report & Financial Statements 2022/23

Notes to the Financial Statements

Investment Properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the ordinary course of business.

Investment properties are measured at cost on initial recognition i.e. the purchase price plus any directly attributable expenditure and then subsequently measured at fair value at each reporting date with changes in fair value recognised in the SOCI. The valuation is determined annually by external valuers.

Other Fixed Assets

Other fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Other Fixed Asset Class	UEL in Years
Computer Equipment & Software	3
Fixtures & Fittings	4
Vehicles	4
Plant & Machinery	3-5
Freehold & Leasehold Property & Improvements	30-60

Useful economic lives of all tangible fixed assets are reviewed annually across the Group.

Impairment

The housing property portfolio for the Association is assessed for indicators of impairment at each Statement of Financial Position date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or Cash Generating Units (CGUs) for which impairment is indicated to their recoverable amounts. Initially the Association compares the fair value less costs to sell by reference to 'Existing Use Value as Social Housing' (EUV-SH). If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a Depreciated Replacement Cost (DRC) for each CGU.

The DRC will be based upon the lower of:

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

The Association defines CGUs as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger generating units. Where the recoverable amount of an asset or CGU is lower than its carrying value, the impairment is charged to the SOCI.

Short-term Debtors and Creditors

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

ForHousing Limited - Annual Report & Financial Statements 2022/23

Notes to the Financial Statements

Provision for Bad & Doubtful Debt

The Association estimates the recoverable amount of rental and other receivables and impairs the debtor by appropriate amounts. Former tenant arrears are fully provided for in the financial statements at the point that the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Bad debts will be charged to SOCI in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the Statement of Financial Position date.

Arrangements to Pay

The Association has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

The Association has reviewed its social housing rent arrears where a formal repayment schedule is in place and has determined that the net book value adjustments for these arrangements are not material so no adjustment has been made for these other than any bad debt provision provided.

Holiday Pay Accrual

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

Property Disposals

Right to Buy – Sharing Agreement with Salford City Council

The surpluses or deficits arising from disposal of properties under the Right to Buy (RTB) legislation are disclosed on the face of the Statement of Comprehensive Income. For ForHousing, the surpluses or deficits are net of any sums payable to Salford City Council under the terms of the Transfer Agreement dated 6th October 2008.

Right to Acquire - Disposal Proceeds Fund (DPF)

Prior to 6th April 2017 receipts from Right to Acquire (RTA) sales were required to be retained in a ring-fenced fund that could only be used for providing replacement housing. The sales receipts less eligible expenses were credited to the Disposal Proceeds Fund (DPF).

As of 6th April 2017 there was no longer a requirement to show new proceeds from relevant disposals in a DPF. The Association continues to comply with the regulator's requirements until this fund is exhausted and the funds have been used or allocated in accordance with the requirements.

Demolitions

In the event that a property has been considered and selected for demolition, such as long term voids or development scheme proposals, the initial asset cost and related depreciation to the date of demolition and therefore disposal are charged to the SOCI.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans that are payable within one year are not discounted.

2. Accounting Policies (Continued)

Non-basic financial instruments are recognised at fair value i.e. normally transaction price adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss. At each year end, the instruments are

revalued to fair value and changes are recognised through profit or loss (unless hedge accounting is applied or a reliable measure of fair value is unavailable).

Preference Shares

Preference shares in group entities are recognised at cost less impairment.

Loan Fees

The cost of raising loan finance is initially capitalised and offset against the loan principal and is amortised to the SOCI on a straight line basis over the term of the loan.

Retirement Benefits

ForHousing participates in three funded multi-employer defined benefit pension schemes.

- Greater Manchester Pension Fund (GMPF)
- Cheshire Pension Fund (CPF)
- The Social Housing Pension Scheme (SHPS)

Contributions are charged at the current funding rate on an accruals basis.

For the GMPF and CPF schemes, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Contributions are charged at the current funding rate on an accruals basis.

Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The Association will only charge against the provision expenditure for which the provision was initially recognised.

2. Accounting Policies (Continued)

Contingent Assets & Liabilities

A contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded in the accounting records if the contingency is probable and the amount of the liability can be reasonably estimated. If both of

these conditions are not met, the liability may be disclosed in a footnote to the financial statements or not reported at all.

A contingent asset is a potential economic benefit dependent solely on future events that can't be controlled by the association. Due to the uncertainty of the future events, these assets are not placed on the balance sheet. However, upon meeting certain conditions, contingent assets are reported in the financial statements in the accompanying note.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

3. Particulars of Turnover, Cost of Sale and Operating Surplus - Group

	Year Ended 31 st March 2023				Restated Year Ended 31 st March 2022			
	Turnover £'000	Cost of Sales £'000	Operating Expenditure £'000	Operating Surplus* £'000	Turnover £'000	Cost of Sales £'000	Operating Expenditure £'000	Operating Surplus* £'000
Social Housing Lettings	89,034	-	(75,370)	13,664	86,098	-	(69,296)	16,802
Other Social Housing Activity								
First Tranche Shared Ownership								
Sales	2,362	(2,072)	-	290	4	-	-	4
Charges for Support Services	431	-	(806)	(375)	425	-	(710)	(285)
Managed for Others Services	17,925	-	(16,825)	1,100	14,374	-	(14,007)	367
Other	4,287	-	(3,344)	943	3,652	-	(3,000)	652
	25,005	(2,072)	(20,975)	1,958	18,455	-	(17,717)	738
Activities Other than Social Housing	12,346	-	(11,747)	599	6,826	(120)	(5,861)	845
Total	126,385	(2,072)	(108,092)	16,221	111,379	(120)	(92,874)	18,385

*Operating surplus is stated before fair value gains and fixed asset disposals.

All turnover, cost of sales and operating surplus generated by ForCapital Limited, ForLiving Limited and ForViva DevCo Limited are internal to the ForHousing Group and therefore adjusts out on consolidation.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

3. Particulars of Turnover, Cost of Sale and Operating Surplus – Association

	Year Ended 31 st March 2023				Restated Year Ended 31 st March 2022			
	Turnover £'000	Cost of Sales £'000	Operating Expenditure £'000	Operating Surplus* £'000	Turnover £'000	Cost of Sales £'000	Operating Expenditure £'000	Operating Surplus* £'000
Social Housing Lettings	88,185	-	(73,999)	14,186	86,098	-	(69,282)	16,816
Other Social Housing Activity								
First Tranche Shared Ownership								
Sales	2,362	(2,072)	-	290	4	-	-	4
Charges for Support Services	431	-	(806)	(375)	425	-	(710)	(285)
Managed for Others Services	17,384	-	(16,825)	559	14,374	-	(14,007)	367
Other	4,287	-	(3,344)	943	3,652	-	(3,000)	652
	24,464	(2,072)	(20,975)	1,417	18,455	-	(17,717)	738
Activities Other than Social Housing	12,345	-	(11,699)	646	5,672	-	(5,125)	547
Total	124,994	(2,072)	(106,673)	16,249	110,225	-	(92,124)	18,101

*Operating surplus is stated before fair value gains and fixed asset disposals

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

3a. Particulars of Income and Expenditure from Social Housing Lettings - Group

	General Needs Housing £'000	Supporting Housing £'000	Year Ended 31st March 2023 Total £'000	Restated Year Ended 31st March 2022 Total £'000
Rent Receivable	71,770	6,090	77,860	74,044
Service Charges Income	4,703	399	5,102	3,485
Income for support services	-	(431)	(431)	1,313
Amortised Government Grants	3,702	314	4,016	3,949
Other Income	2,292	195	2,487	3,307
Turnover from Social Housing Lettings	82,467	6,567	89,034	86,398
	General Needs Housing £'000	Supporting Housing £'000	Year Ended 31st March 2023 Total £'000	Year Ended 31st March 2022 Total £'000
Expenditure				
Management	22,126	1,878	24,005	22,693
Routine Maintenance	16,870	1,431	18,301	14,447
Planned Maintenance	6,501	552	7,053	5,473
Major Repairs Expenditure	1,667	141	1,808	1,968
Service Costs	3,965	336	4,301	3,969
Care and Supported costs	-	711	711	735
Bad Debts	1,152	98	1,250	1,594
Depreciation on Housing Properties	14,504	1,231	15,735	15,162
Depreciation on Other Fixed Assets	548	46	594	909
Other Costs	734	62	796	1,800
Commercial Contracts	752	64	816	546
Total Expenditure on Lettings	68,819	6,550	75,370	69,296
Operating Surplus on Letting Activities	13,648	17	13,664	16,802
Voids	871	74	945	1,170

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

3a. Particulars of Income and Expenditure from Social Housing Lettings - Association

	General Needs Housing £'000	Supporting Housing £'000	Year Ended 31st March 2023 Total £'000	Restated Year Ended 31st March 2022 Total £'000
Rent Receivable	72,269	6,132	78,401	74,044
Service Charges Income	3,580	304	3,884	3,785
Income for support services	-	787	787	1,313
Amortised Government Grants	3,702	314	4,016	3,949
Other Income	1,011	86	1,097	3,307
Turnover from Social Housing Lettings	80,562	7,623	88,185	86,398
	General Needs Housing £'000	Supporting Housing £'000	Year Ended 31st March 2023 Total £'000	Year Ended 31st March 2022 Total £'000
Expenditure				
Management	21,039	1,785	22,825	22,682
Routine Maintenance	16,845	1,429	18,274	14,446
Planned Maintenance	6,488	550	7,038	5,472
Major Repairs Expenditure	1,665	141	1,806	1,968
Service Costs	3,852	327	4,179	3,969
Care and Supported costs	-	711	711	735
Bad Debts	1,133	96	1,229	1,594
Depreciation on Housing Properties	14,503	1,231	15,734	15,162
Depreciation on Other Fixed Assets	548	46	594	909
Other Costs	731	62	793	1,799
Growth	-	-	-	-
Commercial Contracts	752	64	816	546
Total Expenditure on Lettings	67,556	6,442	73,999	69,282
Operating Surplus on Letting Activities	13,006	1,181	14,186	17,116
Voids	871	74	945	1,170

As at 31st March 2023, ForHousing had 16,123 (31st March 2022, 16,165) General Needs properties and 1,368 Supported Housing (31st March 2022, 1,355) and 5,465 Managed for Others Social Housing properties (31st March 2022, 5,539).

ForCapital Limited does not generate any income or expenditure from social housing lettings.

4. Accommodation in Management and Development – Group

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

	Year Ended 31st March 2023 No of Properties	Restated Year Ended 31st March 2022 No of Properties
Social Housing		
General Housing:		
- Social Rent	14,900	14,969
- Affordable Rent	1,223	1,196
Supported Housing:		
- Social Rent	1,206	1,200
- Affordable Rent	162	155
Shared Ownership	155	97
Other Social Housing Arrangements	144	138
Total Social Housing Owned (A)	17,790	17,755
Social Housing – Managed for Others	5,465	5,539
Total Social Housing Owned and Managed	23,255	23,294
 Non-Social Housing		
Market Rent (B)	608	335
Total Owned and Managed	23,863	23,629
 Accommodation in Development at Year End	152	377
 Owned (included above) Managed by Others		
Managed by Others - Social Housing	38	39
Managed by Others - Other Social Housing	107	109
Managed by Others – Non-Social Housing	509	236
Managed by Others - Shared Ownership	59	-
Total Managed by Others	713	384
Total Accommodation Owned (A+B)	18,398	18,090

4. Accommodation in Management and Development – Group (continued)

During the year ForHousing completed the development of 346 new homes.

At the end of the year ForHousing owned 713 properties which were managed by other entities.

ForCapital Limited, ForViva DevCo Limited and ForLiving Limited do not own any housing stock. ForLiving Limited manages 608 Market Rent properties on behalf of ForHousing Limited.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

5. Operating Surplus

Group	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
The Operating Surplus is Arrived at After Charging:		
Depreciation of Housing Properties	15,833	14,041
Depreciation of Other Tangible Fixed Assets	236	351
(Gain) on Disposal of Housing Assets	(6,497)	(2,278)
Operating Lease Rentals	-	-
-Office Equipment and Computer		
-Land and Buildings	475	818
-Other - White Goods	492	1,093
Auditor's remuneration (excluding VAT):		
-Fee Payable to the Auditors for the Audit of the Financial Statements.	103	54
-Tax Compliance Services	12	-

Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
The Operating Surplus is Arrived at After Charging:		
Depreciation of Housing Properties	15,833	14,041
Depreciation of Other Tangible Fixed Assets	236	351
(Gain)on Disposal of Housing Assets	(6,497)	(2,278)
Operating Lease Rentals		
-Land and Buildings	100	313
-Other - White Goods	492	1,093

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

Auditor's remuneration (excluding VAT):

-Fee Payable to the Auditors for the Audit of the Financial Statements	72	41
-Tax Compliance Services	-	-

6. Surplus on Sale of Fixed Assets

Group and Association	Year Ended 31 st March 2023 £'000			Year Ended 31 st March 2022 £'000		
	Proceeds	Cost of Sales	Surplus/ (Deficit)	Proceeds	Cost of Sales	Surplus / (Deficit)
AHO/LCHO Staircasing	229	(119)	110	189	(89)	100
RTB/RTA Sales	7,928	(3,514)	4,414	6,308	(3,407)	2,901
Disposals	-	-	-	-	(348)	(348)
Sale of Other Assets	2,125	(153)	1,972	24	(399)	(375)
Surplus on Sale of Fixed Assets	10,282	(3,786)	6,496	6,521	(4,243)	2,278

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

7. Interest Receivable and Other Income

Group	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Interest Receivable and Similar Income	114	2
Income from Intercompany Loan	140	1,253
	254	1,255
Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Interest Receivable and Similar Income	113	2
Income from Intercompany Loan	140	1,253
	253	1,255

8. Interest and Financing Costs

Group	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Finance Costs	344	178
Defined Benefit Pension Interest Costs	219	578
Interest on Loans Repayable in Less Than Five Years	2,173	2,874
Interest on Loans Repayable in More Than Five Years	7,357	3,921
Non-Utilisation Fee	4	174
Notional Interest on RCGF	3	-
Bank charges & other fees	6	-
	10,106	7,725
Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Finance Costs	344	178
Defined Benefit Pension Interest Costs	219	578
Interest on Loans Repayable in Less Than Five Years	2,173	2,874
Interest on Loans Repayable in More Than Five Years	7,357	3,921
Non-Utilisation Fee	4	174
Notional Interest on RCGF	3	-
Bank charges & other fees	6	-
	10,106	7,725

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

9. Employees

Group and Association

Average monthly number of employees expressed as full time equivalents, calculation on the basis of a 36 hour week:

	Year Ended 31st March 2023 No.	Restated Year Ended 31st March 2022 No.
Housing Management	148	156
Property Maintenance Services	3	3
Support Services – Inc Back Office	353	340
Senior Management Team	7	9
Asset Management	86	74
	597	583

The full-time equivalent number of staff who received remuneration over £60,000 excluding Directors):

	Year Ended 31st March 2023 No.	Year Ended 31st March 2022 No.
£60,001 - £70,000	2	7
£70,001 - £80,000	10	10
£80,001 - £90,000	5	7
£90,001 - £100,000	1	-
£100,001 - £200,000	11	-
£200,001 - £300,000	-	3
	29	27

Employee Costs:

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Wages and Salaries	21,512	19,474
Social Security Costs	2,300	1,986
Pension Costs	1,685	1,633
	25,497	23,093
Restructuring Costs	481	(57)
Total Employee Costs	25,977	23,036

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

10. Key Management Personnel

Group and Association

The remuneration paid to the Directors of ForHousing (the Board and other Executive Officers) for the year ended 31st March 2023 was:

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Aggregate Emoluments Payable to Directors (Excluding Pension Contributions and Including Benefits in Kind)	1,715	1,443
Pension Contributions	150	153
Aggregate Emoluments Payable to Directors (including pension contributions and benefits in kind)	1,865	1,596
Aggregate Emoluments Payable to Executives (Including Pension Contributions and Benefits in Kind)	1,661	1,424
Aggregate Emoluments Payable to Non-Executives (Including Pension Contributions and Benefits in Kind)	204	172
	1,865	1,564
Emoluments Payable to the Highest Paid Director in the year (excluding pension contributions and National Insurance Contributions and including benefits in kind)	123	221
Loss of Office Payments in respect of Highest Paid Director	223	-

During the year the Board has reviewed the definition of who is included within Key Management Personnel. The prior year has been adjusted to ensure the disclosure is comparable.

10. Key Management Personnel (continued)

The emoluments disclosed in the above table relate to the Board Members and Key Management Personnel on Page 1 to 3 of these Financial Statements.

The former Chief Executive retired on 30th September 2022. The terms of the former Chief Executive's retirement included a constructive obligation for remuneration dating back to 2019. The amounts attributable to 2022 and 2023 have been included above.

During the year, the Highest Paid Director, the former Chief Executive, received a 20% cash alternative to an employer's pension contribution (2023: £21k, 2022: £37k), which is in line with the employer's contribution rate paid to other staff within the organisation. In addition, a payment was made to the Greater Manchester Pension Fund of £106k as part of the former Chief Executive's retirement agreement.

The Board appointed Michael Parkin as interim Chief Executive Officer from 1st October 2022. Following an external recruitment process, Michael Parkin was appointed as Chief Executive Officer on a permanent basis from 1st April 2023.

The number of Directors, including the paid Director and Board Members, who received emoluments (including pension contributions and Employers national insurance) in the following ranges, was as follows:

	31st March 2023	31st March 2022
	£'000	£'000
£0 - £10,000	3	5
£10,001 - £20,000	5	9
£20,001 - £30,000	3	1
£30,001 - £40,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	-	2
£150,001 - £160,000	1	2
£160,001 - £170,000	2	-
£170,001 - £180,000	1	1
£180,001 - £190,000	1	-
£200,001 - £210,000	-	-
£210,001 - £220,000	-	-
£220,001 - £230,000	1	1
£360,001 - £370,000	1	-
	20	23

Notes to the Financial Statements

Number of Directors to Whom Retirement
Benefits are Accruing in Respect of Qualifying
Services

10

10

11. Tax on Surplus on Ordinary Activities

The main activity of ForHousing is to provide charitable activities. ForHousing has been granted exempt charitable status and therefore no corporation tax is payable on any surplus from these activities. Any activities that generate a profit, that are not deemed to be within the charitable activity of the association, will be subject to 19% tax charge.

Group and Association	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Current Tax		
UK Corporation Tax on Surplus for the Year	0	0
Adjustment Prior Year	(3)	8
Total Current Tax	(3)	8
Deferred Tax		
Current Year	0	0
Total Deferred Tax	0	0
Total Tax on Results in Ordinary Activities	(3)	8

Factors Affecting the Tax Charge for the Year

The tax assessed for the year is higher/lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Surplus on ordinary activities before tax	28,853	20,398
	28,853	20,398
Tax on surplus on ordinary activities at standard CT rate of 19%	5,482	3,876
Effects of:		
Profits Exempt from Tax Due to Charitable Exemption	(5,487)	(3,840)
Adjustment to Tax Charge in Respect of Previous Period	-	0
Deferred Tax Not Recognised	-	(28)
Current Tax for the Period	(5)	8

* UK Corporation tax charge 19% (2022: 19%)

11. Tax on Surplus on Ordinary Activities (continued)

The rate of UK corporation tax will remain at 19% from April 2022 to March 2023, increasing to 25% from April 2023. ForCapital Limited does not generate any tax on surplus on ordinary activities.

12. Fixed Assets – Housing Properties

Group and Association

	Completed Social housing properties held for letting	Social housing properties for letting under construction	Completed Shared ownership properties	Shared ownership properties under construction	Total
	£'000	£'000	£'000	£'000	£'000
Housing Properties					
Cost					
At 1st April 2022 Restated	518,786	10,090	5,097	3,152	537,125
Additions	-	12,207	-	3,331	15,538
Works to existing properties	12,321	-	-	-	12,321
Component Replacements	(183)	-	-	-	(183)
Disposal	(1,969)	-	(129)	-	(2,098)
Reclassification of Market Rent	(395)	-	-	-	(395)
Consolidated Adjustment	-	-	-	(1,175)	(1,175)
Transfer to current assets	8,240	(8,240)	3,572	(3,572)	-
Reclassification – Developments Completed					
At 31st March 2023	536,800	14,057	8,540	1,736	561,133
Depreciation and impairment					
At 1st April 2022	130,479	-	733	-	131,212
Depreciation Charged in the year	15,704	-	129	-	15,833
Component Replacements	(183)	-	-	-	(183)
Disposals	(648)	-	(11)	-	(659)
At 31st March 2023	145,352	-	851	-	146,203
Net Book Value at 31st March 2023	391,448	14,057	7,689	1,736	414,930
Net Book Value at 31st March 2022	388,307	10,090	4,364	3,152	405,913

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

12. Fixed Assets – Housing Properties (Continued)

	Completed Social housing properties held for letting	Social housing properties for letting under construction	Completed Shared ownership properties	Shared ownership properties under construction	Total Year Ended 31 st March 2023	Total Year Ended 31 st March 2022
Social Housing Grants	£'000	£'000	£'000	£'000	£'000	£'000
Cumulative Grant Recognised in the SOCI	53,258	6	67	20	53,351	49,335
Held in Deferred Income (See Note 20)	116,696	7,213	811	2,104	126,824	122,773
Total Accumulated Social Housing Grant as at 31st March 2023	169,954	7,219	878	2,124	180,175	172,108
Expenditure on Works To Existing Properties						
Components Capitalised	8,530	-	-	-	8,530	12,977
De-Carb costs capitalised	3,792	-	-	-	3,792	-
De-Carb costs charged to SOCI	165	-	-	-	165	-
Amounts Charged to SOCI	1,765	-	-	-	1,765	2,072
	14,252	-	-	-	14,252	15,049

The total expenditure on housing properties for the year ended 31st March 2023 was £14.3m of which £12.3m was capitalised and £2m was charged directly to the Statement of Comprehensive Income.

Asset Impairment Financial Disclosure

In accordance with paragraphs 14.43 to 14.45 of the Statement of Recommended Practice for Registered Housing Providers 2018 (SORP 2018), ForHousing is required to make the following disclosure in relation to impairment:

12. Fixed Assets – Housing Properties (Continued)

ForHousing calculated the Value in Use for the transferred stock and Depreciated Replacement Cost (DRC) of each new social housing development property scheme using appropriate construction costs and land prices. Schemes were reviewed for any impairment indicators and none existed in ForHousing's social housing properties.

13. Tangible Fixed Assets – Other

Group and Association

	Office Accommodation £'000	Vehicles £'000	IT Equipment £'000	Plant & Equipment £000	Total £'000
Cost					
At 1st April 2022	9,543	62	7,557	70	17,232
Additions	207	53	408	-	668
Disposals	-	(26)	-	-	(26)
At 31st March 2023	9,751	89	7,965	70	17,874
Less: Depreciation and impairment					
At 1st April 2022	3,587	39	6,672	70	10,368
Depreciation Charge for the Year	164	18	54	-	236
Disposals	-	(22)	-	-	(22)
At 31st March 2022	3,751	35	6,726	70	10,582
Net Book Value at 31st March 2023	5,999	54	1,239	-	7,292
Net Book Value at 31st March 2022	5,956	23	885	-	6,864

14. Investment Properties Non-Social Housing Properties Held for Letting

Group and Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Balance at 1st April 2022	92,482	66,204
Additions/Reclassifications - Market Rent	-	50
Additions / Reclassifications - Garages	-	30
Additions / Reclassifications - Shops	-	-
Reclassification of Assets - Under Construction	8,379	22,938
Fair Value Gain on Investment Properties	15,989	3,260
Balance at 31st March 2023	116,850	92,482

Investment properties are held at fair value.

Included within investment properties as at 31st March 2023, are market rental properties which were revalued at £111m by the external valuer, Savills, and shops and garages valued at £5.9m as at by the external valuer, Thomson Associates. They are both firms of independent qualified valuers and the properties were valued in accordance with the Royal Institution of Chartered Surveyors Valuation - Professional Standards 2020 (the latest "red book") at this balance sheet date.

15. Long Term Investments

Group and Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Equity Loans	11	11
Other Investments	24	24
Shares Held in Liberty Group Investments Limited	25,611	25,611
Total Investments	25,646	25,646

ForHousing has invested £24k in a debt aggregator vehicle called MORHomes. MORHomes has access to raise finance on the bond market and lend it on to housing associations that have invested into the initiative.

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

16. Properties Held for Sale

Group and Association	Year Ended 31st March 2023 £'000	Restated Year Ended 31st March 2022 £'000
Shared Ownership Properties		
Completed Properties	511	-
Properties under construction	579	1,050
	1,090	1,050

There were 14 shared ownership units sold in 2022/23 and there are no further shared ownership units held for sale as at 31st March 2023.

17. Debtors

Group	Year Ended 31st March 2023 £'000	Restated Year Ended 31st March 2022 £'000
Amounts Due Within One Year:		
Rent and Service Charges Receivable	11,362	9,855
Less: Provision for Bad and Doubtful Debts	(7,370)	(6,626)
Net Rental Arrears	3,991	3,229
Other Debtors	6,369	3,515
VAT debtor	30	8
Prepayments & Accrued Income	11,946	5,955
Intercompany Debtors	5,442	1,299
VAT Shelter	574	1,148
Total Debtors	28,352	15,154
Due After More Than One Year		
VAT Shelter	-	-
Amounts Owed from Intra-Group Loans	5,000	9,442
	5,000	9,422

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

17. Debtors (continued)

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Association		
Amounts Due Within One Year:		
Rent and Service Charges Receivable	11,278	9,789
Less: Provision for Bad and Doubtful Debts	(7,325)	(6,602)
Net Rental Arrears	3,953	3,187
Other Debtors	6,263	3,515
Prepayments & Accrued Income	11,902	5,959
Intercompany Debtors	5,487	1,862
VAT Shelter	574	1,148
Corporation	-	8
Total Debtors	28,179	15,669
Due After More Than One Year		
VAT Shelter	-	-
Amounts Owed from Group – Loans	5,000	9,442
	5,000	9,442

18. Creditors: Amounts Falling Due Within One Year

Group	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Amounts Falling Due Within One Year:		
Obligations Under Financing and Loans (Note 22)	15,255	1,504
Obligations Under Finance Leases	10	-
Amounts Owed to Group	3,467	5,135
Deferred Grant Income (Note 20)	4,117	4,013
Prepaid Income	192	964
VAT Creditor	61	34
Other Creditors	-	3
Accruals	7,642	7,632
Trade Creditors	3,289	2,108
Rent Advance Payments	3,064	3,173
Retentions	805	1,360
VAT Shelter	574	1,148
Land Proceeds	222	268
Service Charge Advance Payments	83	-
	38,781	27,342

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

18. Creditors: Amounts Falling Due Within One Year
(continued)

Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Amounts Falling Due Within One Year:		
Obligations Under Financing and Loans (Note 22)	18	-
Obligations Under Finance Leases	10	-
Amounts Owed to Group	5,369	10,814
Deferred Grant income (Note 20)	4,117	4,013
Prepaid Income	192	964
VAT Creditor	61	34
Other Creditors	-	3
Accruals	5,386	5,351
Trade Creditors	2,297	2,050
Rent Advance Payments	3,051	3,155
Retentions	701	1,256
VAT Shelter	574	1,148
Amounts Owed to Group – Loan (Note 22)	15,237	-
Land Proceeds	222	207
Service Charge Advance Payments	83	-
	37,318	28,995

19. Creditors: Amounts Falling Due After More Than One Year

Group	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Retentions	372	473
Obligations Under Financing and Loans (Note 22)	144,141	152,378
Bond	50,000	50,000
Deferred Income (Note 20)	122,707	118,759
Recycled Capital Grant Fund (Note 21)	120	62
VAT Shelter	-	-
Loan Set Up Costs (Note 22)	(3,177)	(2,607)
Other Creditors	56	37
VAT Creditor	-	-
	314,219	319,102

19. Creditors: Amounts Falling Due After More Than One Year (continued)

Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Retentions	372	473
Obligations Under Financing and Loans	31,204	1,204
Deferred Income (Note 20)	122,708	118,760
Recycled Capital Grant Fund (Note 21)	120	62
VAT Shelter	-	-
Amounts Owed to Group – Loan (Note 22)	162,937	199,307
Loan Set Up Costs (Note 22)	(3,177)	(2,607)
Other Creditors	45	35
	314,209	317,234

20. Deferred Income

Group and Association	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Opening Balance	122,773	124,501
Grant Received in Year	8,165	2,221
Grant Reclassification	(97)	-
Released Government Grant to Income in Year	(4,016)	(3,949)
	126,825	122,773

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Amounts to be Released Within One Year	4,117	4,013
Amounts to be Released in More Than One Year	122,708	118,760
	126,825	122,773

Government Grants

Government grants include grants receivable from Homes England, local authorities and other government organisations. Grant in relation to newly acquired or existing housing properties are accounted for using the accruals model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the SOFP and is released to the SOCI on a systematic basis over the useful economic life of the asset for which it was received. In accordance with the SORP the useful life of the housing property structure has been used and, where applicable, its individual components (excluding land).

21. Recycled Capital Grant Fund
Group and Association

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Opening Balance	62	44
Grants Recycled	99	18
Withdrawals	(44)	-
Interest accrued	3	-
	120	62

As at 31st March 2023, there are no amounts due for repayment to Homes England. These amounts will be re-invested, within the required 3-year period, into a Homes England priority. There is no recycled capital grant fund within ForCapital Limited, ForViva DevCo Limited and ForLiving Limited.

22. Debt Analysis

Group
Due Within One Year

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Loans	15,255	1,504
	15,255	1,504

Due After More than One Year

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Loans	144,107	152,362
Bond	50,000	50,000
Less Loan Set Up Costs	(3,177)	(2,607)
Total Loans	190,930	199,755

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

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Within One Year or on Demand	15,255	1,504
One Year or More but Less than Two Years	19,734	15,255
Two Years or More but Less than Five Years	50,740	77,392
Five Years or More	123,633	109,715
Less Loan Set up Costs	(3,177)	(2,607)
	206,185	201,259

22. Debt Analysis (Continued)

Association

Due Within One Year

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Loans	18	-
Other Loans	15,237	-
	15,255	-

Due After More than One Year

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Bank Loans	31,170	1,204
Finance Lease	34	-
Other Loans	162,937	199,307
Less Loan Set Up Costs	(3,177)	(2,607)
Total Loans	190,964	197,904

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

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Within One Year or on Demand	15,255	-
One Year or More but Less than Two Years	19,734	15,255
Two Years or More but Less than Five Years	50,774	77,392
Five Years or More	123,633	107,864
Less Loan Set Up Costs	(3,177)	(2,607)
	206,219	197,904

Loan Facilities

ForCapital has committed debt funding of £222.7m (2022: £224.2m) with the following institutions:

- Barclays Bank PLC.
- NatWest; and
- Barings.

22. Debt Analysis (Continued)

The ForCapital loans are drawn by ForCapital and subsequently on-lent to ForHousing, with ForHousing acting as Guarantor.

Following the 2022/23 re-financing exercise, ForHousing has an additional £60m long-dated facility with The Housing Finance Corporation (THFC). The THFC bLEND facility will be drawn in two £30m tranches in July 2022 and April 2024.

Private Placement

- A private placement with Barings Bank of £50m is in place on a 20 year term, repayable in one instalment in 2037;
- Fixed interest is paid at a rate of 3.7%; and
- The facility is secured on the assets of ForHousing which acts as the Guarantor.

The weighted average interest rate of the ForCapital loans as at 31st March 2023 is 3.68% (2022: 3.40%). To mitigate exposure to interest rate risk, the drawn loans are split between fixed of £147.67m (2022: £150.4m) and variable of £75.0m (2022: £75.0m).

Security

For the loans with Barclays, RBS, and the Private Placement with Barings, the assets of ForHousing act as security through a trust arrangement with Prudential Trustee Company Limited. The THFC and Orchardbrook loans are also secured through ForHousing's assets, however the security is direct and not through the trust arrangement.

Loan Issue costs

The cost of raising loan finance is initially capitalised and offset against the loan principal and is amortised to the income statement on a straight-line basis over the term of the loan. The loan set up costs incurred as a result of the refinancing exercise will start to amortise in 2022/23.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans that are payable within one year are not discounted.

Non-basic financial instruments are recognised at fair value i.e., normally transaction price adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss. At each year end, the instruments are revalued to fair value and changes are recognised through profit or loss (unless hedge accounting is applied, or a reliable measure of fair value is unavailable).

All of the loans within the existing loan facilities meet the criteria of basic financial instruments as defined in section 11 of FRS102.

Overdraft

ForHousing has an agreed overdraft facility of £0.5m (2022: £0.5m) which is unutilised and does not require the security of a charge over ForHousing's properties.

23. Retirement Benefits

Local Government Pension Schemes Pension Liability

Group and Association	Greater Manchester Pension Fund £'000	Cheshire Pension Fund £'000	Total Consolidated £'000
Opening Balance 1st April 2022	(3,388)	(2,121)	(5,509)
Current/Past Service Costs	(1,442)	(456)	(1,898)
Net Interest	(103)	(61)	(164)
Employer Contributions	579	286	865
Changes in Financial Assumptions	30,692	7,247	39,339
Asset value restriction adjustment	(22,619)	(837)	(23,456)
Return on Assets	1,400	(2,319)	(2,319)
Closing Balance 31st March 2023	<u>5,119</u>	<u>1,739</u>	<u>6,858</u>

GMP Equalisation and McCloud Judgement

The adjustment within the CPF Pension Fund has been reflected through the Service Costs which has been reflected through the SOCI.

Greater Manchester Pension Fund (GMPF)

The GMPF, administered by Tameside Metropolitan Borough Council under the regulations governing the Local Government Pension Scheme, is a funded defined benefit final salary pension scheme where contributions payable are held in a trust separately for ForHousing.

The most recent triennial valuation of the Fund was as at 31st March 2019 for ForHousing and the assumptions for these have been rolled forward, allowing for the different financial assumptions required under FRS 102, to 31st March 2023 by a qualified independent actuary to be as follows:

Valuation Date	31 st March 2019
Valuation Method method	Projected unit credit
Market Value of Assets	£23.844 billion
Investment Return	2.2%

The employer's contributions to the GMPF by ForHousing for the year ended 31st March 2023 were £0.579m (2022: £0.631m). The employers' contribution rate for the year ending 31st March 2023 has been set at 19.7%. Estimated employer's contributions to the Greater Manchester Pension Fund during the accounting period commencing 1st April 2023 are £0.579m.

23. Retirement Benefits (Continued)

	Year Ended 31st March	Year Ended 31st March
Principal Actuarial Assumptions		
	2023	2022
Financial Assumptions	%	%
Pension Increase Rate (CPI)	2.9	3.2
Salary Increase Rate	3.8	4.0
Discount Rate	4.8	2.7

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

The assumed life expectations on retirement at age 65 are:

	Year Ended 31st March 2023 No. of Years	Year Ended 31st March 2022 No. of Years
Current Pensioners:		
Males	20.3	20.3
Females	22.2	23.2
Future Pensioners:		
Males	21.9	21.6
Females	25.2	25.1

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Amounts Recognised in Surplus or Deficit		
Current Service Cost	(1,322)	(1,622)
Past Service Cost (Including Curtailments)	(120)	-
Amounts Charged to Operating Costs	(1,442)	(1,622)
Net Interest		
Interest Income on Plan Assets	2,146	1,455
Interest Cost on Defined Benefit Obligation	(2,249)	(1,760)
Amounts Charged to Other Finance Costs	(103)	(305)
Total Recognised in Surplus or Deficit	(1,545)	(1,927)

23. Retirement Benefits (Continued)

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Amounts Taken to Other Comprehensive Income		
Actual Return on Scheme Assets Excluding Amount Included in net Interest	1,400	5,652
Other Actuarial Gains and Losses	30,692	(6,979)
Pension Asset Movement	(22,619)	-
Total Remeasurements Recognised in Other Comprehensive Income	9,473	(1,327)

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Liabilities

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Opening Scheme Liabilities	(83,157)	(87,708)
Current Service Costs	(1,322)	(1,622)
Past Service Costs (Including Curtailments)	(120)	-
Interest Cost	(2,249)	(1,760)
Remeasurements	30,692	6,979
Plan Participants' Contributions	(231)	(250)
Benefits Paid	1,304	1,204
Closing Scheme Liabilities	(55,083)	(83,157)

Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Opening Fair Value of Plan Assets	79,769	72,985
Interest Income	2,146	1,455
Return on Plan Assets (in Excess of Interest Income)	1,400	5,652
Contributions by Employer	579	631
Plan Participants' Contributions	231	250
Benefits Paid	(1,304)	(1,204)
Defined Benefit Obligation Eliminated	-	-
Closing Fair Value of Plan Assets	82,821	79,769

23. Retirement Benefits (Continued)

Total GMPF Defined Benefit Scheme Pension Asset/(Liability) as at 31st March	27,738	(3,388)
Asset value restriction adjustment	(22,619)	-
Revised Defined Benefit Asset/(Liability)	5,119	(3,388)

Major Categories of Plan Assets as a percentage of Total Plan assets

	2023	2022
	%	%
Equities	70	69
Bonds	14	13
Properties	8	8
Cash	8	10

The sensitivities regarding principal assumptions used to measure the scheme liabilities are set out below:

Changes in Assumptions at 31st March 2023	Approximate Increase to Employer %	Approximate Monetary Amount £'000
0.5% Decrease in Real Discount Rate	2	1,080
1 year increase in member life expectancy	4	2,203
0.5% Increase in the Salary Increase Rate	-	163
0.5% Increase in the Pension Increase Rate (CPI)	2	933

Cheshire Pension Fund (CPF)

The CPF, administered by Cheshire West and Chester Council under the regulations governing the Local Government Pension Scheme, is a funded defined benefit final salary pension scheme where contributions payable are held in a trust separately for ForHousing.

The most recent triennial valuation of the Fund was as at 31st March 2019 for ForHousing and the assumptions for these have been rolled forward, allowing for the different financial assumptions required under FRS 102, to 31st March 2022 by a qualified independent actuary to be as follows:

Valuation Date	31 st March 2019
Valuation Method	Projected unit credit method
Market Value of Assets	£5.583 billion
Investment Return	6.9%

The employer's contributions to the CPF by ForHousing for the year ended 31st March 2023 were £0.286m (2022: £0.467m). The employers' contribution rate for the year ending 31st March 2023 has been set at 26.4%.

23. Retirement Benefits (Continued)

Principal Actuarial Assumptions	Year Ended 31 st March 2023 %	Year Ended 31 st March 2022 %
Financial Assumptions		
Pension Increase Rate (CPI)	2.95	3.15
Salary Increase Rate	3.65	3.85
Discount Rate	4.75	2.75

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

The assumed life expectations on retirement at age 65 are:

	Year Ended 31 st March 2023 No. of Years	Year Ended 31 st March 2022 No. of Years
Current Pensioners:		
Males	20.4	21.2
Females	24.2	23.8
Future Pensioners:		
Males	20.8	22.1
Females	25.8	25.5

The Amounts Recognised in the Statement of Comprehensive Income:

Amounts Recognised in Surplus or Deficit	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Current Service Cost	(456)	(521)
Past Service Cost (Including Curtailments)	-	-
Amounts Charged to Operating Costs	(456)	(521)
Net Interest		
Interest Income on Plan Assets	495	343
Interest Cost on Defined Benefit Obligation	(556)	(436)
Amounts Charged to Other Finance Costs	(61)	(93)
Total Recognised in Surplus or Deficit	(517)	(614)

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

23. Retirement Benefits (Continued)

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Amounts Taken to Other Comprehensive Income		
Actual Return on Scheme Assets Excluding Amount Included in Net Interest	(2,319)	819
Limitation of the asset	(837)	-
Other Actuarial Gains	7,247	1,694
Total Remeasurements Recognised in Other Comprehensive Income	4,091	2,513

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Liabilities

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Opening Scheme Liabilities	(20,155)	(21,120)
Current Service Costs	(456)	(521)
Interest Cost	(556)	(436)
Remeasurements	7,247	1,694
Plan Participants' Contributions	(72)	(73)
Benefits Paid	367	301
Closing Scheme Liabilities	(13,625)	(20,155)

Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Opening Fair Value of Plan Assets	18,034	16,633
Interest Income	495	343
Return on Plan Assets (in Excess of Interest Income)	(2,319)	819
Contributions by Employer	286	467
Plan Participants' Contributions	72	73
Benefits Paid	(367)	(301)
Closing Fair Value of Plan Assets	16,201	18,034

Total CPF Defined Benefit Scheme Pension (Liability)/asset as at 31st March

Asset/(Liability) as at 31st March	2,576	(2,121)
Asset value restriction adjustment	(837)	-
Revised Defined Benefit Asset/(Liability)	1,739	(2,121)

23. Retirement Benefits (Continued)

Major Categories of Plan Assets as a Percentage of Total Plan Assets

	2023 %	2022 %
Equities	48	42
Bonds	36	42
Properties	13	10
Cash	3	6

The sensitivities regarding principal assumptions used to measure the scheme liabilities are set out below:

Changes in Assumptions at 31st March 2023	Approximate Increase to Employer %	Approximate Monetary Amount £'000
0.5% Decrease in Real Discount Rate	2	262
1 year Increase in member life expectancy	4	545
0.5% Increase in the Salary Increase Rate	-	31
0.5% Increase in the Pension Increase Rate (CPI)	2	235

The Pensions Trust – Social Housing Pension Scheme (SHPS)

When defined benefit (DB) accounting is applied, any liability recognised for the present value of the social landlord's deficit funding agreement will be derecognised. The difference between the deficit funding agreement liability that social landlords currently recognise for SHPS, and the net DB deficit for SHPS, is recognised in other comprehensive income (OCI).

Pension Asset Liability

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Opening Balance 1st April 2022	2,575	8,218
Current/Past Services Costs	279	785
Net Interest	55	180
Employer Contributions	(1,042)	(991)
Changes in Financial Assumptions	8,189	(1,879)
Return on Assets	(12,825)	(3,738)
Closing Balance 31st March 2023	<u>(2,769)</u>	<u>(2,575)</u>

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

23. Retirement Benefits (Continued)

Key Assumptions

	2023	2022
Financial Assumptions	%	%
Discount Rate	4.9	2.8
Inflation (RPI)	3.2	3.4
Inflation (CPI)	2.8	3.1
Salary Growth	3.8	4.1
Allowance for Commutation of Pension for Cash at Retirement	75% of Maximum Allowance	75% of Maximum Allowance

Mortality Assumptions

The mortality assumptions adopted at 31st March 2023 imply the following life expectancies:

The assumed life expectations on retirement at age 65 are:

	Year Ended 31st March 2023 No. of Years	Year Ended 31st March 2022 No. of Years
Current Pensioners:		
Males	21	21.1
Females	23.4	23.7
Future Pensioners:		
Males	22.2	22.4
Females	24.9	25.2

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Fair Value of Plan Assets	13,847	24,778
Present Value of Defined Benefit Obligation	(16,616)	(27,353)
(Deficit) in Plan	(2,769)	(2,575)
Defined Benefit (Liability) to be Recognised	(2,769)	(2,575)

23. Retirement Benefits (Continued)

Amounts Recognised in the Statement of Comprehensive Income:

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Amounts Recognised in Surplus or Deficit		
Current Service Cost	(247)	(756)
Expenses	(32)	(29)
Amounts Charged to Operating Costs (Loss)	(279)	(785)
Net Interest		
Interest Income on Plan Assets	700	448
Interest Cost on Defined Benefit Obligations	(755)	(628)
Amounts Charged to Other Finance Costs (Loss)	(685)	(180)
Defined Costs Recognised in the SOCI	(334)	(965)

Amounts Taken to Other Comprehensive Income

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Experience on Plans Assets (excluding Amount Included in Net Interest Cost) – Gain	12,825	3,748
Experience Gains Arising on the Plan Liabilities	(1,164)	(1,794)
Effects of Changes in Demographic Assumptions Underlying the Present Value of the Defined Benefit Obligation – Gain	(31)	377
Effect of Changes in the Financial Assumptions Underlying the Present Value of the Defined Benefit Obligation Gain	(10,368)	3,296
Total Amount Recognised in the OCI – Gain/(Loss)	(1,262)	(5,627)

Reconciliation of Opening and Closing Balances of the Defined Obligation

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Opening Scheme Liabilities	(27,353)	(27,985)
Current Service Costs	(247)	(756)
Expenses	(32)	(29)
Interest Expense	(755)	(628)
Contributions by Plan Participants	(529)	(371)
Actuarial (Losses)/Gains Due to Changes in Scheme Experience	1,164	(1,794)
Actuarial Gains due to Changes in Demographic Assumptions	31	377
Actuarial Gains due to Changes in Financial Assumptions	10,368	3,296
Benefits Paid and Expenses	737	537
Closing Scheme Assets Liabilities	(16,616)	(27,353)

23. Retirement Benefits (Continued)

Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Opening Fair Value of Plan Assets	24,778	19,767
Interest Income	700	448
Experience on Plan Assets (In Excess of Interest Income) –		
Gain/(Loss)	(12,825)	3,738
Contributions by Employer	1,402	991
Contributions by Plan Participants	529	371
Benefits Paid and Expenses	(737)	(537)
Closing Fair Value of Plan Assets	13,847	24,778

Plan Assets

	Year Ended 31 st March 2023 £'000	Year Ended 31 st March 2022 £'000
Global Equity	258	4,755
Absolute Return	150	994
Distressed Opportunities	419	887
Credit Relative Value	523	823
Alternative Risk Premia	26	817
Emerging Market Debt	74	721
Insurance-Linked Securities	350	578
Property	596	669
Infrastructure	1,582	1,765
Private Debt	616	635
Opportunistic Illiquid Credit	592	832
High Yield	48	214
Opportunistic Credit	1	88
Cash	100	84
Corporate Bond Fund	-	1,653
Long Lease Property	418	638
Secured Income	636	923
Liability Driven Investments	6,377	6,914
Currency Hedging	27	(97)
Net Current Assets	35	69
Total Assets	13,847	24,778

23. Retirement Benefits (Continued)

We have been notified by the Trustee of the Scheme that, as part of a review of the scheme, it has identified an issue relating to the inflationary increases applied to benefits earned before December 2003. The Trustee has been advised to seek clarification from the Court on this issue, therefore there is uncertainty surrounding the impact these changes. This process is on-going, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until the Court directions are received, it is not possible to calculate the impact with any accuracy at this time, particularly on an individual employer basis. No adjustment has been made in these financial statements in respect of this potential issue.

24. Non-Equity Share Capital

	ForHousing Limited Year Ended 31st March 2023	ForHousing Limited Year Ended 31st March 2022
	£	£
Shares of £1 each Issued and Fully Paid		
At Beginning of Year	76	88
Issued During the Year	-	(12)
At End of Year	76	76

The Association's shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules.

25. Capital Commitments

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Capital Expenditure that has Been Contracted for but has not been Provided for in the Financial Statements.	14,478	11,659
Capital Expenditure that has Been Authorised by the Board of Management but has not yet been Contracted for.	64,661	57,525
	79,139	69,184

26. Leasing Commitments

The total future minimum operating lease payments which ForHousing are committed to make under non-cancellable operating leases are as follows:

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Within One Year	624	533
One to Five years	460	873
Over Five Years	3	2
	1,087	1,408

ForHousing Limited - Annual Report & Financial Statements 2022/23
Notes to the Financial Statements

27. Contingent Liabilities

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Great Places Acquisition	1,056	1,055
Development Grants (Less Amortisation)	41,585	36,189
	42,641	37,244

The contingent liability is relating to the Homes England grant received as part of the Development Programme which would be paid back if certain conditions are not met.

28. Related Parties

The Board of non-executive directors included one tenant of ForHousing during the year, Christine Barker.

Board Member Tenant	Rent Debit Charged to 31st March 2023	Rent Debit Charged to 31st March 2022	Credit/(Arrears) Balance at 31st March 2023	Credit/(Arrears) Balance at 31st March 2022
Christine Barker	£ 4,751.04	£ 4,761.80	£ 331.47	£ 451.54

The terms of the tenant Board Member's tenancy is consistent with those offered to other tenants.

ForHousing undertakes transactions with the following customers and suppliers in the normal course of business. The nature and value of the transactions with each company in the year to 31st March 2023 are detailed below:

Board Member	Customer	Sales	Supplier	Purchases	Description
Christine Barker		£ -	Greater Manchester Police	£ 2,628	Crime impact statement/production
Christine Barker		£ -	Housing Ombudsman	£ 113,834.92	Housing Subscription 2021-2022/2022-2023
Deborah McLaughlin		£ -	DMCL & Associates	£ 21,175	NED services

The payments above in relation to Paul Kennedy and Deborah McLaughlin relate to their normal remuneration as non-executive directors, as disclosed in note 10 on page 71. Christine Barker is a Resident Panel Member at the Housing Ombudsman and Chairperson of the Greater Manchester Police Special Operations Independent Scrutiny Panel. Both payments were made by ForHousing to those organisations on normal commercial terms and Christine was not involved in the procurement decisions.

29. Intercompany Transactions

	Year Ended 31st March 2023 £'000	Year Ended 31st March 2022 £'000
Summary of Transactions in the Year to 31st March 2022:		
Intercompany Sales	87	759
Intercompany Costs	(87)	(759)
Interest Receivable	8,712	6,840
Interest Payable	(8,712)	(6,840)

These amounts have been adjusted on the consolidation of the ForHousing Consolidated SOCI.

Debtor Balances	5	1
Creditor Balances	(5)	(1)
Interco Loan from Group Members	(162,937)	(199,307)
Interco Loan to Group Members	162,937	199,307

These amounts have been adjusted on the consolidation of the ForHousing Consolidated SOFP.

30. Net Cash Generated from Operating Activities

Group	Year Ended 31st March 2023 £'000	Restated Year Ended 31st March 2022 £'000
Cash Flow from Operating activities		
Surplus for the Year	28,850	17,655
Adjustments for Non-Cash Items:		
Depreciation of Housing Properties	15,833	14,041
Depreciation of Other Fixed Assets	236	351
Amortisation of Grants	(4,016)	(3,949)
Decrease/(increase) in Trade and Other Debtors	(9,512)	8,050
Increase/(Decrease) in Trade and Other Creditors	(1,941)	3,644
(Increase) in Stock	-	(73)
Investing activity - Equity Swap	-	(559)
Investment Property Revaluation	(15,989)	(3,260)
Pension Costs Less Contributions Payable	512	839
Taxation	3	-
Adjustments for Investing or Financing Activities:		
Net Gain on Sale of Fixed Assets	(6,498)	(3,090)
Interest Payable	10,106	7,725
Interest Receivable	(254)	(1,255)
Net Cash Generated from Operating Activities	16,948	40,119

ForHousing Limited - Annual Report & Financial Statements 2022/23

Notes to the Financial Statements

31. Ultimate Parent Company and Parent Company of Larger Group

The Association's ultimate controlling party and parent company is ForViva Group Limited, a noncharitable registered provider. The accounts on behalf of the ForHousing Group, are the smallest set of consolidated financial statements prepared. Copies of the consolidated financial statements can be obtained from its registered office: 52 Regent Street, Eccles, M30 0BP.

32. Prior period Adjustment

Group

Service charge income totalling £2.7m was accrued in the year-ending 31st March 2022 financial statements in error. This has been adjusted in the 2022 comparator figures and opening reserves as follows:

Consolidated Statement of Comprehensive Income 2021/22 restated			
	Forhousing as previously stated	PPA - Service charges	ForHousing as restated
	£'000	£'000	£'000
Turnover	114,062	2,683	111,379
consisting of:			
Service Charge income (Note 3a)	5,691	(2,683)	3,008
Operating Surplus	26,608		23,925

Consolidated Statement of Financial Position 2021/22 restated				
	ForHousing as previously stated	PPA - Assets	PPA - Service charges	ForHousing as restated
	£'000		£'000	£'000
Fixed Assets	406,963	(1,050)		405,913
Stock	-			-
Current Assets consisting of:	30,281			30,281
Trade and Other debtors	17,839		(2,683)	15,156
Properties Held for Sale	-	1,050		1,050
Reserves	217,149		(2,683)	214,466

Group and Association

The Board consider it more appropriate to present fair value gains/losses on investment properties below operating surplus. This represents a change in accounting policy and consequently the prior period numbers have been restated. Appropriate measures have been agreed to move the gain to below operating surplus. As a result of this change, the operating surplus has reduced from £38.7m to £22.7m (2022: £23.9m to £20.7m) There was no impact on Total Comprehensive Income for the Year.

The Board and Directors have reviewed the treatment of Properties held for sale which were previously included in Tangible Fixed Assets Housing Properties in the Statement of Financial Position. Properties Held for Sale have now been moved to Current Assets, with the comparator year being adjusted accordingly. The total value of Tangible Fixed Assets Housing Properties plus Properties Held for Sale has not been adjusted.