ForHousing

Annual Report and Financial Statements 2023/24

FCA reg no: 30483R
RSH reg no: L4528

Contents

	Page
General Information	2
Introduction from the Chair of the Board	3
Introduction from the Chief Executive	3
Strategic Report	
ForHousing Strategy	4
Performance against our Strategic Outcomes	5
Group Structure and Business Model	11
Overview of Financial Results	12
Capital and Treasury Management	13
Value for Money	15
Going Concern	19
Directors' Report	
Board Members	21
Executive Management Team	22
Governance and Regulation	23
Risk and Internal Controls	28
Statement of Compliance	32
Statement of the Board's Responsibilities	33
Independent Auditor's Report to the Members of ForHousing Group Ltd	34
Group and Society Statement of Comprehensive Income	38
Group and Society Statement of Financial Position	39
Statement of Change in Reserves	41
Group Statement of Cashflows	42

Notes to the Financial Statements

1. Legal Status	44
2. Accounting Policies	44
3. Turnover, Costs of Sales, Operating Costs, Surplus from Disposal of Fixed Assets and Operating Surplus	52
3a. Particulars of Income and Expenditure from Social Housing Lettings	54
4. Accommodation in Management and Development	55
5. Operating Surplus	56
6. Surplus on Sale of Fixed Assets	57
7. Interest Receivable and Other Income	57
8. Interest and Financing Costs	57
9. Staff Costs	58
10. Directors Emoluments	58
11. Tax	60
12. Fixed Assets – Housing Properties	61
13. Tangible Fixed Assets – Other	63
14. Investment Properties	64
15. Long Term Investments	64
16. Properties held for sale	64
17. Receivables	65
18. Payables-Amounts Falling Due Within 1 Year	65
18. Payables-Amounts Falling Due After More Than 1 Year	66
19. Deferred Grant Income	66
20. Recycled Capital Grant Fund	67
21. Loans and Borrowings	68
22. Pensions	70
23. Non-Equity Share Capital	75
24. Capital Commitments	75
25. Leasing Commitments	75
26. Contingent Liabilities	75
27. Related Parties Transactions	76
28. Net Cash Generated from Operating Activities	76
29. Ultimate Parent Company	77
30. Post Balance Sheet Event	77

General Information

Board of Directors

Paul Kennedy	Chair
Steve Bentley	Senior Independent Director
James Barclay	Director
Deborah McLaughlin	Director
Graeme Foster	Director
Paul Butterworth	Director
Lawrence McIntosh	Director (retired 31st March 2024)
Mark Fletcher	Director
Gary Sims	Director (resigned 13th Nov 2023)
Donna O'Neill	Director
Donna Cezair	Deputy Chair
William Weightman	Director (from 1st April 2024)
Anthony Bell	Director (from 15th May 2024)
Claire Stone	Director (from 1st August 2024)
Ian Joynson	Co-optee (from 1st August 2024)

Registered Office:

52 Regent Street
Eccles
Manchester, M30 0BP

Bankers:

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

Executive Officers and Company Secretary:

Michael Parkin	Chief Executive Officer
Jennifer Neville	Deputy Chief Executive Officer
Mark Bradshaw	Executive Director of Finance
Martyn Hague	Executive Director of Customer
Nigel Sedman	Executive Director of Homes
Mark Sullivan	Executive Director of ICT
Jamie McDonald	Executive Director of – Customer Experience (Repairs)(from 1st August 2024)
Gemma Burton-Connolly	Executive Director of Governance & Assurance (from 4th September 2023)/Group Company Secretary (from 1st February 2024)
Harriet Rushton	Group Company Secretary (resigned 1st February 2024)

External Auditors:

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

Internal Auditors:

Beever and Struthers
One Express, 1 George Leigh Street
Manchester M4 5DL

INTRODUCTION

from the Chair of the Board
Paul Kennedy

Over the past year, the Board has been pleased to see real change in ForHousing. Highlights have been the increased influence of our tenants in co-creation of the 2023-2028 ForHousing Strategy as well as the services which matter to them.

We have been working hard to achieve the outcomes we set ourselves in our Governance and Regulatory Improvement Plan (GRIP), working closely with the Regulator and wider stakeholders. Key elements of this were aimed at strengthening our control framework, and associated governance, including a review of our Board and Committee structure to better serve the outcomes we want to achieve.

A key strategic focus for the Board is to reduce the level of commercial activity, to enable ForHousing to have an increased focus on its core purpose, social housing. The Board and the Executive Team started a commercial divestment project during the year, following which the governance structure of the ForViva Group will be simplified. Both of these projects are key elements of the GRIP.

Over the year, we have welcomed many new colleagues, including Gemma Burton-Connolly as our Executive Director of Governance and Assurance. We were pleased to approve the appointment of Jenny Neville as Deputy Chief Executive, and to agree to the strengthening of our Executive team via the appointment of Jamie McDonald to the newly created Executive Director Repairs – Customer Experience role from 1st August 2024.

We are thrilled to welcome four new Board Members. Bill Weightman, who is an active member of our Customer Committee, and Tony Bell who joined us in May 2024 as Audit & Risk Committee Chair Designate. In August 2024 Claire Stone joined as a Board member and Ian Joynson joined as a Co-optee. We have also strengthened the skills of our Committees by appointing Independent Members from the Customer Committee to both the People and Culture Committee, and the Audit and Risk Committee. These appointments, whilst strengthening our Board and Committees, also serve to broaden our perspectives, which in turn will enable us to continue making the best decisions for our tenants.

We also said goodbye to Board colleagues with the retirement of Lawrence McIntosh at the end of the financial year, and Gary Sims earlier in the year. We thank them both for their commitment to ForHousing during their tenure.

We have taken the learnings from the severe maladministration cases, awarded from the Housing Ombudsman. We start each of our Board meetings by focusing on the experiences of tenants, this ensures that we have a direct insight into the impact of our services, both good and bad, for our tenants. We are pleased to see that swift action to re-set the entire complaints service has been taken, and this is beginning to show positive results. We will continue to monitor this via the Customer Committee and the Board.

The political and economic landscape is increasingly difficult and as a Board, we have had to make some tough decisions to be able to continue to operate within our budget and business plan. Before setting the 2024/25 budget, we had a healthy debate with the Executive over what is possible for the year ahead. As a Board we always want to do as much as possible to progress our strategy to deliver for our tenants.

Finally, I would like to express my personal thanks and appreciation to the members of the ForHousing Board for their on-going dedication and support. I would like to thank the Executive Management Team, all members of staff, our suppliers and partners, and especially our tenants and customers. You are all fundamental to the on-going success of ForHousing, and your contributions and commitment to driving performance has been, and will continue to be, a key factor in achieving our strategic objectives.

INTRODUCTION

from the Chief Executive Officer
Mike Parkin

As we reach the end of my first year as ForHousing CEO, I am proud of the progress the organisation and colleagues have made. Everything we do aims to positively impact the lives of our social housing tenants and deliver on what matters to them and their communities.

A key priority for me when appointed CEO was to work with my Executive colleagues and the Board to develop a clear strategic focus for the organisation, placing tenants and customer service at the very heart of everything that we do, whilst providing safe, well-maintained homes for our tenants.

Despite several challenges facing the organisation, and the sector as a whole, I'm delighted to say we've delivered against Year 1 of our strategic roadmap, and have laid the foundations to improve further throughout the life of the strategy.

The Board and the Executive Team are mindful of the increasing legislative and regulatory landscape, and we absolutely support the need to improve the quality of social housing across the UK. However, I am aware that these requirements introduce additional layers of complexity for colleagues delivering services across ForHousing, so I thank colleagues for their hard work and dedication to our tenants, each other and ForHousing and look forward to continuing to work together to deliver positive outcomes for tenants over the life of the ForHousing Strategy.

Increasing satisfaction with our services is at the foundation of our strategy, so, we've focused on listening and acting on what tenants tell us and using our resources and insight to improve the customer experience. I know that we have more work to do here, and we are using valuable feedback from the Ombudsman and our tenants, as well as insight from satisfaction surveys, through our established and new customer involvement frameworks to help us to improve in under-performing areas.

A continued increase in demand for our Repairs & Maintenance services during the year (demand increased by 19% compared to 2022/23) eroded our operating margin, meaning we did not meet our financial targets for the year, although I'm pleased to say we have continued to invest in our homes and we continue to meet the regulator's Decent Homes expectations.

We have focused on delivery of our Governance & Regulatory Improvement Plan – and made great progress in a very short time. Our colleagues and stakeholders gave us helpful and constructive feedback and told us they were feeling the difference in our culture and that the clarity of our strategic direction was much improved. This was also reflected in excellent colleague engagement scores in our Best Companies survey.

We are working hard to learn about disparities in experiences and have plans in place to further understand which tenant and colleague groups are most and least satisfied so we can learn where we need to improve and what is working well.

My thanks go out to the Board, colleagues, and tenants, as well as our key stakeholders and partners – who have all had a part to play in our achievements over the last year.

We know that there is more to do, we are looking forward to the journey and meeting the challenges ahead.

Strategic Report

ForHousing Strategy

In May 2023, the Board approved the adoption of the new 2023-2028 ForHousing Strategy, following a reflection on where the Board wanted the future of ForHousing to be.

The ForHousing Strategy focusses on our core social housing activity, delivering great services for our customers, and putting customers at the heart of what we do, enabling them to influence and shape the services they receive, as well as hold us to account on how we perform, where we invest our resources, and our customer interactions.

We co-created this strategy with our customers and colleagues, to ensure we captured outcomes important to them, as well as to stakeholders and the Board.

Our strategy has three supporting strategies outlining improvement in outcomes for Homes, Customer and Resources, with EDI underpinning all approaches. Progress against these strategies is monitored at Committee level, with progress against the overall ForHousing strategy being overseen by the Board.

We have developed a strategic roadmap to deliver our outcomes so our stakeholders can come on the journey with us and understand what we are delivering and when.

We keep this roadmap under review and will move deliverables forward or backward as required to deliver against tenant and business need, within our business plan. Each Committee, and Board review the strategy on an annual basis to ensure we are still working on the things that matter, and not spending time on things that don't.

We have achieved a lot in 2023/24 and laid the groundwork for the next four years of the strategy.

Customer Strategy

Customer focused and equitable services

Overseen by the **Customer Committee**

	STRATEGIC MEASURE	YEAR 1 END TARGET	Q4 PERFORMANCE
1	Tenant satisfaction **(TSM)**	72%	69.8%
2	Satisfaction that the landlord listens to tenant views and acts upon them **(TSM)**	72%	69.5%

Since the introduction of the ForHousing strategy, there has been a real push to ensure our customers are at the centre of all that we do. The Customer Committee has oversight of the delivery of the Customer Strategy on behalf of the Board.

During the year we have begun several new initiatives to improve the services received by our customers. These include:

- The launch of the new tenant scrutiny function
- The launch of the Together with Tenants Charter
- A new customer contact hub

We are very proud that ForHousing has been awarded the Tenant Participation Advisory Service (TPAS) accreditation, which acknowledges the strategic importance of our customers, and reflects the varied opportunities for influence, engagement and support we give our customers which also aligns with the outcomes of the new Consumer Standards, and Housing Ombudsman Code.

During 2023/24 we have also supported colleagues across the business in delivering joint strategic roadmap items such as the review of salaries for customer facing roles to ensure that our staff are appropriately remunerated for the roles they undertake to deliver great services to our customers.

The other major focus of the Customer Committee, and the Board has been to support the redesign of the customer complaints service. The Customer Committee challenged the performance of complaints which triggered a comprehensive review which informed the direction of travel to improve the service delivery and change the operating model for complaints handling. The Board and the Executive Team acknowledge the historical issues with complaints and the need to improve.

Next year will see further in-depth analysis of variations in service satisfaction from tenants with different EDI characteristics and ages to determine the root causes and any associated changes to services that may be required to address any inequity of outcomes. We also plan to conduct a thorough investigation, with appropriate actions to follow.

	STRATEGIC MEASURE	YEAR 1 END TARGET	Q4 PERFORMANCE
3	New homes built	64	167
4	Tenants are satisfied that their home is safe **(TSM)**	80%	78.5%
5	Tenants are satisfied that their home is well maintained **(TSM)**	74%	73.6%
6	Existing homes meet EPC Band C	91.5%	91.5%

During the year we changed the focus of the Development Committee to being the Homes Committee which now includes oversight of the lifecycle of the home from development to disposal, including monitoring maintenance and investment service delivery, and landlord health and safety compliance.

A lot has changed in the operating environment as legislation, regulation and expectations around property standards and building safety have increased. This has created challenges and a need to consider strategic trade-offs but never to the detriment of our core purpose as a social landlord.

We have taken a proactive approach in relation to damp and mould and have run campaigns encouraging our customers to get in contact with us should they have concerns in this area and have checks built into repair and compliance visits to determine if any additional cases have not been reported.

The Building Safety Act introduced a new reporting requirement in relation to high rise buildings. We submitted our building safety cases for our 25 high rise blocks (including those in our management contract) before the deadline.

We have been keen to ensure our customers have greater visibility over the maintenance of their homes, and the legal safety checks we carry out. We have worked with our involved tenants and Customer Committee to develop and roll out a new compliance portal on the ForHousing website. This will enable our customers to access key information on their homes and receive assurance on safety.

We know that the main cause of complaints, and the Housing Ombudsman enquiries, relate to our repairs and maintenance service. We worked with our repairs contractor during the year to re-set our contract with them to place greater focus and accountability on the service and timeliness our customers receive. We have also worked with our involved tenants to create a repairs and maintenance review panel to provide extra insight and scrutiny on this area of our operations. It is essential that we deliver this service so it meets customers' needs and expectations, and we will

continue to support this panel in the coming year.

To ensure we fully understand the quality and sustainability of our housing stock, we have been working on technological solutions to better understand where we need to concentrate our resources in our planned works programme that feeds into the annual business planning cycle. We have also increased our level of stock surveys to 20% per annum to ensure we have up to date and accurate data on property condition and future investment requirements.

Significant investment will be required in the coming years, especially around sustainability of stock and truly understanding the longevity of our stock, which will enable the Board to make appropriate decisions around stock decommissioning and rationalisation to provide the best quality homes for our customers.

In relation to new homes built, in response to the on-going national housing crisis we set a year one target of 64 new homes and exceeded this by developing 167 new homes, all of which are affordable.

Lastly, we have been preparing for future legislation and regulation with the revisions to stock appraisal methodologies, and the development of the ForHousing Voids and Decency standard.

We are looking forward to progressing our strategic outcomes in the coming year, and to working closer with our customers to ensure they can influence what we develop, what we procure and how we ensure they remain safe in their homes.

Resources Strategy

Making the most of our resources

Overseen by the **People & Culture Committee and Audit & Risk Committee**

	STRATEGIC MEASURE	YEAR 1 END TARGET	Q4 PERFORMANCE
7	Best companies overall score	659.5	706
8	Balance the cost of support services as a percentage of customer facing services	18/82	17/83
9	Operating margin	19.1%	14.3%

A key focus is to ensure that ForHousing can operate in an efficient and agile way which will help us attract and retain talent in an increasingly complex operating environment.

Whilst we were disappointed when we were downgraded to a G3, we retained our V1 grading which provides assurance that we have sufficient financial headroom to weather the wider sector challenges of increasingly aged stock, increased demand for repairs and maintenance, greater reporting obligations and enhanced regulation and legislation. The G3 grading has helped sharpen our focus, and transparency and accountability are at the heart of our decision-making. We have a strong co-regulatory relationship with the Regulator of Social Housing, and they have noted marked improvements during the year.

During the year we commenced a commercial divestment project, which will facilitate an improved focus on our core purpose of social housing. In September 2024 the Board approved the sale of Liberty Group Investments Limited (Liberty) with the sale completing by the 30th September 2024. Following the divestment of Liberty, a project will be undertaken to simplify the Group's governance structure.

In the first year of the ForHousing strategy, we have been working with colleagues to set the baseline of services moving forward.

We have had a particular focus on ensuring we can implement the appropriate technological solutions to make working life simpler for our colleagues, which in turn will enable them to deliver better quality and more efficient services to our customers.

We have been able to achieve several key milestones this year which will allow us to deliver on the outcomes for the remainder of the strategy, highlights include:

- Implementation of a new omnichannel system to improve customer experience.
- Implementing a new customer facing role staff system.
- Launching a new People Framework.

- Change of colleague survey provider to Best Companies and outperforming our year one target.
- Embedding a new ICT operating model.

One of our most important outcomes is to embed EDI into all that we do. We layered EDI aims into each of the strategies and have been collecting data over the year to enable us to baseline our information on both colleagues and customers. This will help us design and deliver appropriate, equitable services for customers and working environment for colleagues.
We launched a customer census in April 2024 which will help us to understand who lives in our homes, and the support they need. The initial feedback from our EDI analysis in the first year has highlighted that we need to know more to understand the impacts on different customer groups. This will be explored as we progress through the strategy with an aim to being able to deliver meaningful co-created services with true customer influence on the design.

We have implemented inclusion networks on race and disability following feedback from the Best Companies survey, and these groups meet regularly to help shape our work offering and help educate colleagues across the organisation as part of our EDI learning.

Year two of the strategy will see a further focus on governance as we aim to move to a compliant regulatory grading. We have spent the past year introducing new controls, processes and structures and year two will see us embedding our governance action plan, which is underpinned by a desire to be a sector leader in governance. We have learned from our past and it has helped strengthen us as custodians of ForHousing.

The Regulator of Social Housing launched sector wide Tenant Satisfaction Measures to ensure consistency of reporting against all social landlords. We have spent the past year collecting the perception data from our tenants and our first-year results are set out below. We acknowledge there is more work to do, and we will be working closely with our customers over the coming year to enhance our service offering.

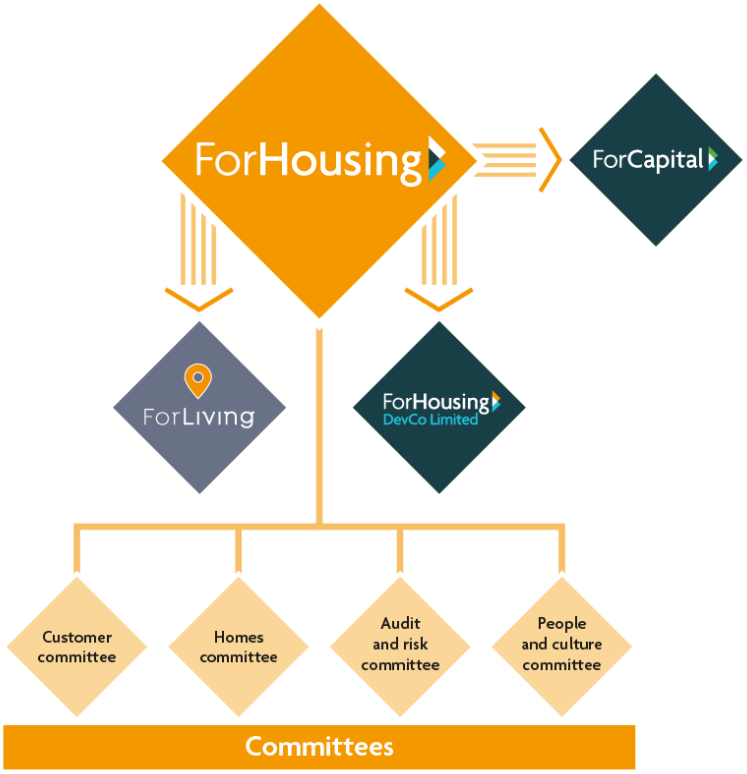
Tenant Satisfaction with ForHousing April 2023 to March 2024

Measure	Result	Peer Average
TP01 – Proportion of respondents who report that they are satisfied with the overall service from ForHousing.	**69.8%**	**73.0%**
TP02 – Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	**70.4%**	**73.0%**
TP03 – Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	**68.7%**	**70.0%**
TP04 – Proportion of respondents who report that they are satisfied that their home is well maintained.	**73.6%**	**74.0%**
TP05 – Proportion of respondents who report that they are satisfied that their home is safe.	**78.5 %**	**79.0%**
TP06 – Proportion of respondents who report that they are satisfied that ForHousing listens to tenant views and acts upon them	**69.5%**	**67.0%**
TP07 – Proportion of respondents who report that they are satisfied that ForHousing keeps them informed about things that matter to them.	**76.4 %**	**75.0%**
TP08 – Proportion of respondents who report that they agree ForHousing treats them fairly and with respect.	**82.6 %**	**81.0%**
TP09 – Proportion of respondents who report making a complaint in the last 12 months who are satisfied with ForHousing's approach to complaints handling.	**33.8 %**	**39.0%**
TP10 – Proportion of respondents with communal areas who report that they are satisfied that ForHousing keeps communal areas clean and well maintained.	**72.2 %**	**71.0%**
TP11 – Proportion of respondents who report that they are satisfied that ForHousing makes a positive contribution to the neighbourhood.	**73.8 %**	**70.0%**
TP12 – Proportion of respondents who report that they are satisfied with ForHousing's approach to handling anti-social behaviour.	**74.3 %**	**66.0%**
CH01 – Number of stage one complaints received per 1,000 homes.	**151.5**	**60.3**
CH02 – Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	**95.6%**	**89.8%**
RP02 – Proportion of non-emergency responsive repairs completed within ForHousing's target timescale of 30 days.	**97.0%**	**79.2%**
BS01 – Proportion of homes for which all required gas safety checks have been carried out.	**99.99%**	**100%**

Group Structure

During the year ForHousing operated within a group structure, with ForViva as an unregistered parent. ForHousing Group is referred to as 'Group' and ForHousing Limited, the company, is referred to as 'Society'. As part of our Governance & Regulatory Improvement Plan (GRIP) significant progress has been made to simplify the group structure.

Following the completion of the commercial divestment project in September 2024, ForViva will transfer its engagements into ForHousing within 12 months of approval of these financial statements. Following which ForViva will be collapsed as a legal entity and ForHousing will become the new Group Parent.



ForHousing Limited, FCA registration number 30483R, with charitable objectives. ForHousing is a Registered Provider of Social Housing, RSH registration number L4528, is affiliated to the National Housing Federation.

ForCapital Limited, registration number 10636610, is a wholly owned subsidiary of ForHousing and was incorporated on 23rd February 2017. ForCapital is a Special Purpose Vehicle which manages ForHousing's loan facilities and commenced trading on 19th May 2017.

ForLiving Limited, registration number 10635705, is a private limited company and was incorporated on the 23rd February 2017. It is a wholly owned subsidiary of ForHousing and its main purpose is to provide and manage high quality homes for market rent and market sale. All profits are reinvested into ForHousing's social housing activities.

ForHousing DevCo (DevCo), registration number 09609061, provides design and build services for the development of new affordable housing 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. The ForHousing Board approved a name change from ForViva DevCo to ForHousing DevCo on 7th September 2023 to better reflect where the subsidiary sits within the corporate structure.

Overview of Financial Results

	Group		Society	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Turnover	137.6	126.4	136.4	125.0
Operating Expenditure	(121.8)	(108.1)	(120.5)	(106.6)
Cost of Sales	(1.5)	(2.1)	(1.5)	(2.1)
Gain on Disposals	2.4	6.5	2.4	6.5
Operating Surplus	16.7	22.7	16.8	22.8
Operating Margin	12%	18%	12%	18%

Due to the challenging cost environment during the year, mainly related to Repairs and Maintenance and Management costs, the operating margin reduced to 12% (2023: 18%).

Whilst group turnover increased by £11.2m, mainly due to:

- Turnover from social housing activities increased by £3.5m to £93.0m, following the April 2023 rent increase.
- Income from Other Social Housing Activities and Non-Social Activities increased by £7.7m, predominantly due to increased income from the contract with Cheshire West and Cheshire Council.

Operating costs increased by £13.7m to £121.8m, mainly due to:

- Increased repairs and maintenance costs of £5.5m as a result of an 18% increase in demand compared to 2022/23, and a focus in the year on removing the backlog of damp and mould repairs, including damp prevention works whilst properties were void.
- Expenditure on Other Social Housing Activities and Non-Social Activities increased by £5.2m due to increased activity on the Cheshire West and Cheshire contract.

Despite the on-going operating cost challenges, we continued to invest in new and existing homes:

- In 2024 £11.0m (2023: £14.3m) was invested in replacing and improving components of existing homes and £13.2m (2023: £15.5m) was invested in developing new homes, with 167 new completed in the year and a further 201 new homes on-site for completion in future years.

The value of ForHousing's investment in Liberty Group Investments Limited (LGIL) was impaired by £16.4m to reflect the market value of LGIL during the divestment process, and net of ForHousing's cost of sale. Due to the repayment of debt, the sale will result in a cash receipt to ForHousing of £20.1m.

Financial Performance

	Group		Society	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Fixed Assets	562.3	564.7	562.9	565.1
Current Assets	44.0	34.8	40.7	32.9
Current Liabilities	(47.0)	(38.8)	(43.9)	(37.3)
Long Term Debtors	7.1	5.0	7.1	5.0
Long term Liabilities	(325.1)	(314.2)	(325.1)	(314.2)
Net Assets	**238.6**	**255.6**	**239.1**	**255.6**

Total net assets for the Group stand at £238.6m. Due to the

continued focus on development housing properties have increased by £13.4m to £428.4m (2023: £415.0m) which represents 76% of our total fixed asset base.

The closing cash position of £5.2m is £0.2m lower than the prior year. Payables due within one year are £8.3m higher than the prior year at £38.8m, mainly due to a loan that was payable at the 1st April 2024. Within long term liabilities, loans and borrowings are marginally higher than the prior year at £201.1m. Deferred capital grant has increased by £0.6m to £123.3m.

Based on 31st March 2024 actuarial valuations, the Group's defined benefit pension schemes have a deficit of £2.6m. In 2023 this was a surplus of £4.1m. This movement is predominantly due to changes in the way that the asset ceiling has been calculated, with an increase of £12m year-on-year in the asset ceiling adjustment.

The Board commissioned an independent review of the year-end actuarial assumptions, which provided assurance that the assumptions adopted were within a reasonable range.

Capital and Treasury Management

Introduction

The majority of loans are drawn by ForCapital and subsequently on lent to ForHousing in line with ForHousing's requirements. The loans are secured by way of first fixed charge over the assets of ForHousing, who act as guarantors.

ForHousing has a comprehensive Treasury Strategy and Treasury Policy which requires a minimum cash balance of £1m, for a rolling three month period.

On-lending is permitted from ForHousing to other members of the ForHousing 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 funds 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.

Capital Structure

At 31st March 2024 Group and Society borrowings amounted to £206.1m (2023: £209.4m) of the total loan facility available.

Funder	2023/24		2022/23	
	Total Facility £'m	Total Drawn £'m	Total Facility £'m	Total Drawn £'m
Barclays	57.4	24.9	65.2	27.7
NatWest	100.0	100.0	107.5	100.5
Barings	50.0	50.0	50.0	50.0
Orchardbrook	1.2	1.2	1.2	1.2
bLEND	60.0	30.0	60.0	30.0
Total	**268.6**	**206.1**	**283.9**	**209.4**

Interest Rate

Most of the Group's borrowings consist of fixed rate bonds and bank funding at both fixed and floating (variable) rates of interest. Within the Group, total debt of £206.1m at 31st March 2024 consisted of 77% at fixed rates, and 23% at variable rates.

Financial Loan Covenants Compliance

Financial loan covenants are primarily measured by EBITDA-MRI (Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included) which measures the underlying profitability of ForHousing compared to its loan interest charges, regardless of depreciation assumptions or financing.

Investing in the Future

Effective financial management ensures on-going viability, which enables the business to continue to deliver high quality customer focused services, to maintain the existing homes to a high standard and to develop new homes.

In May 2024, the Board approved a new business plan which included the resources to continue to deliver the ForHousing Strategy. The 2024/25 Business Plan includes the resources to develop 1,494 new homes and to continue to invest in communities to achieve the outcomes of the 2023-2028 Strategy.

We will also continue to invest in existing housing stock, in line with our Homes Strategy – the 2024 business plan includes £243.2m of expenditure, net of grant, over the next 5 years. £95.1m of the expenditure relates to capital works on existing properties. The Sustainable and Affordable element of the strategy will be delivered through £24.6m of investment to ensure all ForHousing's homes achieve Energy Performance Certificate (EPC) Band C performance by 2030, and a further £170.9m to ensure all homes achieve net-zero carbon emissions by 2050.

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

Our Approach to Value for Money (VfM)

To ForHousing, VfM means: making the best use of our resources through our philosophy of 'value for money at all times', which will increase financial capacity and customer outcomes through:

- optimising productivity and efficiency, and reducing waste;
- maximising value from all our activities; and
- delivering strategically focussed social value activities.

ForHousing is committed to positively impacting the lives of our social housing tenants, and making the most of the resources that we have available. Maintaining a core focus on Value for Money (VfM) across all areas of the business supports the delivery of these strategic priorities.

Placing VfM at our core means we can do more to provide *safe, well-maintained, sustainable and affordable homes* and deliver *customer-focused, equitable and efficient services*. VfM is considered in all aspects of our business, through which we can demonstrate that we:

- positively impact the lives of our social housing tenants;
- optimise productivity and efficiency, and reduce waste;
- strike the right balance between cost and quality;
- manage our assets and resources effectively;
- develop a high-performing culture; and
- embrace value-adding technologies to drive service improvement and efficiency and reduce waste.

The UK economy and ForHousing's operating environment continue to be under pressure from a number of complex issues, which are unlikely to improve significantly in the short-term. As a result, the cost of maintaining homes and delivering high quality services to tenants has increased, therefore Value for Money is more important than ever.

The 2023-2028 ForHousing Strategy sets out the organisation's five-year ambitions, including the creation of at least 1,337 new affordable homes. Our VfM Strategy Action Plan sits within the Resources Strategy, and has a cross-cutting mandate across all of the ForHousing Strategies. ForHousing will deliver its VfM targets through its 'Seven Principles of Value for Money', which have been developed to embed the VfM philosophy outlined above and are designed to shape future strategy and business planning to ensure we have the resources to support the delivery of the Board's vision. Our Seven Principles of value for money are:

1. Optimise productivity and efficiency across all aspects of ForHousing;
2. Make best use of assets and resources;
3. Optimise social value;
4. Robust focus on performance, service quality and satisfaction;
5. Use insight and data intelligence to inform strategic business decisions;
6. Maintain regulatory compliance and long-term financial viability; and
7. Enhance customer involvement, scrutiny and accountability structures.

Our Value for Money Performance

Operational and financial performance is monitored monthly by the Executive Management Team and quarterly by the Board. The table opposite outlines our VfM performance against the Regulator of Social Housing's Value for Money Metrics compared to our peer group.

Performance against our peer group for the year 2022/23 was excellent, with the only areas of underperformance being in relation to reinvestment and new supply delivered (of social housing). With our governance rating from the regulator at G3, and with increasing variable interest rates, we have phased our development programme over a longer period. Once the governance rating improves to G2, our development programme will be reviewed alongside seeking additional funding.

The Transparency, Influence and Accountability Standard, requires registered providers to provide tenants with information about their directors' remuneration and management costs. As this is a new requirement from April 2024 the median has been derived from the 2022/23 annual financial statements of the organisations in our peer group.

	2022/23			2023/24		2024/25
Metric	Actual	Quartile	Peer* Median	Actual	Budget	Budget
Reinvestment	6.7%	Q3	7.6%	7.2%	4.6%	9.1%
New Supply delivered (social)	0.9%	Q3	1.0%	0.9%	0.3%	1.0%
New supply delivered (non-social)	1.4%	Q1	0.0%	0.0%	0.0%	0.0%
Gearing	48.4%	Q1	41.7%	46.2%	47.1%	43.0%
Interest cover – EBITDA-MRI	143.8%	Q1	103.9%	202.4%	194.2%	151.8%
Headline Social Housing Cost per unit	£4,025	Q1	£4,627	£4,432	£4,186	£5,003
Operating margin – social housing lettings **	15.4%	Q2	14.5%	11.4%	12.4%	11.8%
Operating margin **	12.8%	Q2	9.8%	10.4%	13.8%	13.9%
Return of capital employed (ROCE)	4.0%	Q2	2.7%	2.9%	3.2%	3.2%
Management cost per unit	£1,032	Q1	£1,205	£1,168	£1,203	£1,209
Highest paid Director cost per unit	£14.88	Q4	£13.07	£8.99	£9.47	£10.02
Total Directors cost per unit	£42.57	Q2	£46.94	£40.42	£46.79	£56.86

Quartile 1	Quartile 2	Quartile 3	Quartile 4

* Peer Group: Bolton at Home Limited; First Choice Homes Oldham Limited; Great Places Housing Group Limited; Livv Housing Group; Magenta Living; One Manchester Limited; One Vision Housing Limited; Onward Group Limited; Plus Dane Housing Limited; Progress Housing Group Limited; Regenda Limited; Rochdale Boroughwide Housing Limited; Wythenshawe Community Housing Group Limited; Your Housing Group Limited

** The Board sets 'stretch' targets for Operating Margin which are above the more prudent Business Plan, to ensure the Business Plan has the headroom to absorb any under-performance. In addition, the Operating Margin on the commercial housing management contract with Cheshire West and Chester Council dilutes the operating margin for ForHousing owned properties. Excluding the housing management contract, the operating margin for 2023/24 increases from 10.4% to 13.5%.

Re-Investment (in our assets) - is predominantly driven by our development expenditure on new homes and investment in existing homes. In 2022/23 performance was below the peer group median, at 6.7% (third quartile). Performance in 2023/24 improved due to increased development activity and is planned to increase in 2024/25 because of increased investment in existing homes, in line with the 2023-2028 Homes Strategy.

New Supply Delivered (social) – measures the number of new social housing units completed and brought into management. Performance against our peer group in 2022/23 was below the median (third quartile), and remained constant in 2023/24. Whilst this performance is marginally below the median for our peer group, it exceeds 2023/24 target and is forecast to increase over the next 3 years.

Gearing –measures net debt against the net book value of our housing properties, was in the top quartile compared to our peers. Performance reduced marginally in 2023/24 - net debt remained relatively static but the value of housing properties increased because of the investment in new and existing homes.

Interest Cover – as measured by adjusted earnings relative to interest costs was top quartile in 2022/23 and improved further in 2023/24, providing assurance on the headroom against ForHousing's tightest loan covenant. Whilst there were cost pressures in the year, the April 2023 increase in rental income combined with management of capital investment expenditure helped to improve this metric.

Headline Social Housing Cost per unit – measures our social housing expenditure relative to the number of social units owned and managed. Performance increased in the year, exceeding our budget, due to increased repairs and maintenance expenditure in the year, but remaining below the median of our peers.

Operating Margins – considers surplus relative to turnover across both social units in isolation and all operations (excluding asset disposals). Against our peer group in 2022/23, we were second quartile for both metrics. As with cost per unit, additional repairs and maintenance caused margins to drop in 2023/24. The operating margin on the contract with Cheshire West and Chester (CW&C) Council dilutes the operating margin for ForHousing owned properties. Excluding the CW&C contract the operating margin for 2023/24 increases from 10.4% to 13.5%.

Return on Capital Employed – shows our returns against our net asset base and is consistent year on year, and against both our budget and our peers.

Management Cost per unit – measures our management expenditure relative to the number of social units owned and managed. Our cost per unit has increased in the year due to investment in the refreshed complaints process but remains in line with our peer group median.

Highest paid Director Cost per unit – measures the remuneration of the highest paid Director, relative to the number of social units owned and managed. The 2022/23 performance was above our peer group median, due to loss of office payments in year relating to our previous Chief Executive. In 2023/24 the cost per unit is below our peers.

Total Directors Cost per unit – measures the total remuneration of all Executive Directors, relative to the number of social units owned and managed. Performance, which increases from 2024/25 due to the strengthening of the Executive Team outlined earlier, is below our peer group median.

Looking Forward – VfM Metrics 2024/25 to 2028/29

Our 5 year budget approved in May 2024 sets out VfM improvement targets – the aim is to increase our operating margin to 19% by 2028/29 whilst continuing to develop new properties and invest in existing properties.

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

Over the next 5 years, as part of the annual review of the ForHousing Strategy, our Value for Money metrics are forecast to improve, apart from the Headline Social Housing Cost per Unit, which is increasing as a direct result of additional investment in the existing homes. The Board will have the option to reinvest VfM improvements into improved homes and services in line with the ForHousing Strategy. Any changes to the targets will be reported in future VfM statements.

Metric	Target 2025	Target 2026	Target 2027	Target 2028	Target 2029
Reinvestment	9.1%	12.9%	5.5%	6.6%	11.4%
New Supply delivered (social)	1.0%	1.0%	1.1%	0.5%	1.6%
Gearing	43.0%	44.4%	43.0%	41.6%	41.6%
Interest cover (EBITDA-MRI)	151.8%	192.3%	178.4%	188.2%	178.6%
Headline social housing cost per unit	£5,003	£5,124	£5,264	£5,304	£5,325
Operating margin – social housing lettings **	13.1%	13.4%	12.6%	14.7%	15.8%
Operating margin **	13.9%	14.9%	14.3%	17.3%	19.0%
Return of capital employed	3.2%	3.3%	3.2%	3.3%	3.3%
Management cost per unit	£1,209	£1,231	£1,664	£1,616	£1,585
Highest paid Director cost per unit	£10.02	£10.26	£13.39	£13.43	£13.63
Total Directors cost per unit	£56.86	£58.26	£76.02	£76.23	£77.38

** The Board sets 'stretch' targets for Operating Margin which are above the more prudent Business Plan, to ensure the Business Plan has the headroom to absorb any under-performance.

The Directors renumeration and management costs information shown above meets the requirements of the new Consumer Standards, which were introduced from April 2024.

Taking the above into account, the Board is confident that the Group has fully complied with the requirements of the Regulator of Social Housing's Value for Money Standard 2018.

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 2023/24, as a result of the cost-of-living crisis and its impact on ForHousing's customers 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 May 2024, the ForHousing Board approved a 5-year budget and 30-year Business Plan for 2024/25, both of which demonstrate the strong performance will continue; and
- The 2024/25 Business Plan includes a minimum of 48 months liquidity, operates within the terms of the funding facilities, and facilitates the delivery of the 2023-2028 ForHousing Strategy.
- ForHousing, through direct lending facilities and ForCapital, has access to undrawn loan facilities of £62.5m and the 2024/25 Business Plan shows ForHousing retains adequate liquidity for a minimum of 48 months from April 2024 – 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 the 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 £3.0m (2023: net current liabilities: £4.0m), it also shows that ForHousing has net assets of £238.6m (2023: £255.6m), including a closing cash and cash equivalents position of £5.2m (2023: £5.4m).

Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group or Society's ability to continue as a going concern as ForHousing is well placed to absorb the impact of changes that lie ahead.

Post Balance Sheet Event

ForHousing will have disposed of its investment in Liberty Group Investments Limited (LGIL) to a third party by the 30th September. The sale, for 100% of the share capital of LGIL, was completed on a cash free, debt free basis.

Disclosure of information to auditor

At the date when this report is approved each of the Board Members confirm the following:

- So far as each Board member is aware, there is no relevant audit information needed by the Group's auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- Each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information needed by the Group's auditor in connection with preparing their report and to establish that the Group's auditors is aware of that information.

External Auditor

RSM has indicated their willingness to continue in office as auditor to the ForHousing Group, and a resolution to appoint them will be proposed at the forthcoming annual general meeting.

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the Statement of Recommended Practice for registered social housing providers 2018.

The Strategic Report was approved by the Board on and signed on its behalf by:

……..
Paul Kennedy
Chair of the Board

Directors' Report

The Directors set out their report for the year ended 31st March 2024.

ForHousing is governed by the Board, which consists of twelve Board members and one co-optee; all with the requisite skills and experience to oversee the delivery of the ForHousing Strategy.

Paul Kennedy is the Chair of the Board. Paul is a highly experienced leader having held a number of Executive and Non-Executive positions over the last 25 years. He has a successful track record of working across a broad range of sectors and has a passion for working with organisations that can make a difference in society.

Donna Cezair is the Deputy Chair of the Board and the Chair of the People and Culture Committee. Donna is Chief Executive of Worthing Homes, and former CEO of First Choice Homes Oldham. Donna brings to the role a wealth of leadership experience in the housing sector and a strong track record of implementing transformative change.

Steve Bentley is the Senior Independent Director. Steve is now retired having spent over 35 years in the Banking sector, all with Barclays Bank. His first role was as a cashier at Walkden branch and over the years he managed various teams and divisions within the organisation, although his career was predominantly spent serving UK corporate clients.

Deborah McLaughlin is a Board Member and the Chair of the Homes Committee. Deborah has extensive experience working in Regeneration and Housing for over 30 years across public and private sectors, including as Director of Housing at Manchester City Council, regional director for the North West at Homes England and Director of Capita's real estate business. Deborah has also previously worked at the Audit Commission as a Best Value Inspector and auditor.

Graeme Foster is a Board Member and the Chair of the Customer Committee and a member of the Audit and Risk Committee. Graeme is Chief Executive of Alpha Homes, an organisation dedicated to the provision of housing and services for older persons. Graeme has worked in a variety of senior and leadership positions including senior regulator with the Regulator of Social Housing and Lead Housing Inspector with the Audit Commission.

Jim Barclay is a Board Member and the Chair of the Audit and Risk Committee. Jim is a qualified accountant and a Master of Business Administration (MBA). Jim's background includes 8 years as Finance Director of Merseytravel, a £360m public transport and tourism organisation. Jim worked with a number of regional and national stakeholders where transport was seen as an enabler of social and economic growth. Since 2013 Jim has developed a consultancy business working primarily in the rail sector.

Mark Fletcher is a Board Member and a Member of the Homes and People and Culture Committee. Mark is Chief Executive of Manchester Pride, having spent time prior to this as a freelance consultant. Mark has a passion for ensuring organisations truly embed EDI and has a strong people focus when making decisions.

Paul Butterworth is a Board Member and a member of the Homes and Audit and Risk Committees. Paul is the Executive Director of Assets at Wythenshawe. Paul has over 20 years' sector experience and started his career as a graduate building surveyor. He has a wealth of development and asset management experience. Paul is a member of Royal Institute of Chartered Surveyors (RICS).

Donna O'Neill is CDMP qualified and has over 4 years' experience working in data management roles within the professional services sector. She brings a wealth of expertise with a particular focus on data governance and risk management. As a member of the customer committee and ARC, Donna is passionate about ensuring tenants' voices are heard. She is committed to delivering data driven positive change which is innovative and facilitates excellence in all we do.

Bill Weightman is a Board Member and a member of the Customer and Homes Committees. Bill is an experienced community advocate with experience as a Local Councillor in Knowsley. In addition, Bill has experience within the Merseyside Police, having been a member of the Police Panel for a number of years.

Tony Bell is a Board Member and is the designate Chair of the Audit and Risk Committee, in line with succession planning. Tony is a qualified accountant with more than 20 years' experience at Board level. Tony has worked in the further education and health sectors, and he has a passion for social housing and voluntary work in communities.

Claire Stone is a Board Member, appointed on 1 August 2024. Claire has worked in the housing sector for over 30 years. She has led housing, estate and tenancy management teams, as well as development and repairs and maintenance. Claire recently retired from her executive career, her most recent role was Executive Director of Customer Experience at Accent Group.

Ian Joynson is a co-optee to the Board and was appointed on 1 August 2024. Ian is the Executive Director of Asset Management at the Guinness Partnership. Ian is a qualified accountant and spent a number of years at KPMG. Ian is responsible for the asset management, responsive and planned maintenance and health and safety teams at Guinness.

The Board is supported by the Executive Management Team, which consists of:

Michael Parkin – Chief Executive - With over 20 years' experience operating at executive and board level and nine years in housing. My focus is on continuing to make improvements to positively drive tenant satisfaction, delivering safe homes and excellent, equitable services for tenants, and importantly, for ForHousing to be a great place to work for colleagues.

Jenny Neville – Deputy Chief Executive - With over 20 years' management experience, including 15 years as an executive officer, Jenny is experienced in commercial and performance management, leading and developing people, governance and risk. She has worked in the social housing sector for seven years, with a strong understanding of the challenges faced by housing organisations and the approaches required to bring about successful change.

Mark Bradshaw – Executive Director of Finance – With extensive financial experience within the social housing sector across a wide range of support service functions, including 17 years in senior roles. This includes all areas of financial management, as well as governance, risk management and performance management.

Gemma Burton-Connolly – Executive Director of Governance and Assurance and Company Secretary. Gemma's responsibilities include governance, legal, risk, audit, insurance and data protection. Gemma has a legal background and has worked within the housing sector for 14 years, including experience of working in complex environments, including PLCs, charities, private companies and community benefit societies.

Martyn Hague – Executive Director of Customer - with over 25 years of housing experience in a variety of roles, Martyn is experienced in delivering customer focused, equitable services to tenants, making sure we are listening to, and learning from, them and that they are at the heart of all we do.

Nigel Sedman – Executive Director of Homes - with over 30 years' experience working in social housing regeneration, managing teams to deliver a range of asset management services including repairs and maintenance, compliance, specialist services and major improvement programmes. As a Chartered Quantity Surveyor, Nigel has also worked for contractors and in private practice.

Mark Sullivan – Executive Director of ICT - with extensive experience of managing a fast-paced and changing ICT landscape, Mark is skilled in delivering strategic organisational change through technology and data solutions. He has worked in a range of roles both in the UK and abroad and has over 20 years' experience within the housing sector with 5 operating at executive and Board level.

Jamie McDonald – Executive Director of Customer Experience (Repairs) joined the organisation on 5th August 2024. Jamie has been fortunate to be part of and lead amazing teams delivering repairs and maintenance services to customers' homes across the UK for almost 20 years, and work in a range of other customer sectors.

Governance and Regulation

Board Overview

The Board is responsible for setting the strategic direction, values, and objectives of ForHousing and its subsidiaries. The Board monitors performance and is responsible for ensuring effective governance and financial management arrangements are in place across the business. A series of Committees are in place to support the Board, each Committee has specific responsibilities delegated from the Board, through the individual terms of reference. In September 2023, a decision was taken to simplify the Group Committee structure. The Committees now focus on ForHousing, rather than being ForViva Group Committees. There remains one Group Committee - the Group Audit Committee. The Committee structure is set out on page 8, and the ForHousing Committees are:

- Customer Committee
- People and Culture Committee
- Audit and Risk Committee
- Homes Committee

Task and Finish Groups

The Board can constitute task and finish groups to support specific projects. During the year three task and finish groups were created, which were:

- Regulatory Task and Finish Group
- Governance Task and Finish Group
- Ceres Task and Finish Group (to review Group Structure)

The members of the Board also hold positions as Directors of other legal entities within the Group and/or are members of the Committees as outlined in the table below. Members are supported on these Boards and Committees by the Executive Management Team.

							Commenced 01/10/2023						Disbanded 31/09/2023	
Current members	**ForViva Board**	**ForHousing Board**	**Liberty Group Board**	**ForLiving Board**	**ForCapital Board**	**ForHousing DevCo Board**	**Homes Committee**	**Customer Committee**	**People & Culture Committee**	**Audit & Risk Committee**	**Group Audit Committee**	**Stockbridge Village Trust**	**Group People Committee**	**Group Audit & Risk Committee**
Paul Kennedy	✓	✓ Chair			*Directors are ForHousing Executive Members.*	*Directors are ForHousing Executive Members.*			✓			*Directors are ForHousing Executive Members.*	✓	
Donna Cezair	✓	✓ DC							✓ Chair				✓	
Steve Bentley	✓ SID	✓ SID											✓ Chair	
Lawrence McIntosh		✓		✓			✓	✓	✓				✓	
Paul Butterworth		✓	✓ ID	✓			✓			✓				✓
Jim Barclay	✓	✓								✓ Chair	✓ Chair			✓ Chair
Deborah McLaughlin		✓		✓ Chair			✓ Chair							
Graeme Foster		✓						✓ Chair		✓				✓
Mark Fletcher		✓		✓			✓		✓				✓	
Donna O'Neill		✓						✓		✓				
Gary Sims		✓		✓			✓			✓	✓			✓
Bill Weightman		✓						✓						
Antony Bell (from 15th May 2024)		✓								✓				
Claire Stone (from 1st August 2024)		✓												
Ian Joynson		✓Co-optee												
How many times they met*	**5**	**19**	**10**	**4**	**1**	**1**	**6**	**5**	**2**	**2**	**0**	**N/A**	**2**	**2**

* Includes extraordinary meetings, away days and strategy sessions.

SID = Senior Independent Director

ID = Investor Director

DC = Deputy Chair

Resigned/Retired during the year

Has changed role mid-year

Appointed during the year

From time to time the Board will seek to attract new Board Members to ensure it has the right skills and experience to oversee the delivery of the ForHousing Strategy. Any recruitment campaigns are open and robust. The process includes skills, experience and diversity. In November 2023, a recruitment exercise was conducted with the Independent Customer Committee Members to seek applications for a position on the ForHousing Board, and for Independent Members to be appointed to the ForHousing Committees. As a result of this successful process, a member of the Customer Committee was appointed to the Board, and Independent Members were appointed to the People and Culture Committee and to the Audit and Risk Committee. In addition, during 2024 the Board undertook a recruitment exercise and appointed a designate Chair of Audit and Risk Committee, this is in line with succession planning. The Board also sought to strengthen its customer and asset management skills and appointed a new Board Member and a co-optee to the Board.

The Board is passionate about EDI and is keen to ensure the membership of the Board is representative of the communities that we serve. Inclusion and diversity are at the heart of our Board recruitment exercises and whilst we have seen increased diversity, we know there is more to do, and this is a key focus of our succession planning.

A key project being undertaken in Years 1 and 2 of the ForHousing Strategy is 'Knowing our Tenants', which will enable us to better understand the composition of our communities and enable us to better represent our tenants amongst our Board. We are also working with colleagues to update their data so we can understand how our Board represent our colleagues.

In the recent recruitment rounds, we increased our Board diversity profile in relation to gender and ethnicity.

Future recruitment rounds will continue to balance our board and their representation of our customers and colleagues. Board regularly assesses its effectiveness and undertakes regular appraisals which are overseen by the People and Culture Committee. This culminates in the creation of a Board development programme, which ensures our Board are equipped with the latest information and training needs. Every three years an external Governance Review is undertaken. Savills were appointed to carry out the review in 2023/24 and stated *Our view is that ForHousing can demonstrate strong governance in terms of the way in which important issues have been addressed, the outcomes achieved and the extent to which sound governance arrangements have been established and continued to improve*.

The Committees

To ensure the Board can maintain focus on strategic matters a series of Committees are in place to support the Board. Each Committee has a dedicated focus and receives delegated authority from the Board which are set out in the terms of reference.

Customer Committee

The remit of the Committee is to oversee the strategic delivery of customer focused and equitable services to our tenants, in addition to monitoring performance against the Tenant Satisfaction Measures and the Consumer Standards. During the year the Committee achieved the following:

- Approved the Housing Ombudsman self-assessment
- Approved the Customer annual report
- Monitored the 'Knowing our Tenants' project
- Reviewed internal audits on damp and mould, complaints and income and arrears management
- Monitored the use of the LiveWell (customer support) fund
- Reviewed the readiness for the Consumer Standards

- Reviewed the rent settlement and the support available to tenants
- Oversight of the refreshed complaints process
- Considered the approach to tenant communication
- Monitored performance of the Customer Strategy measures

Homes Committee

The purpose of the Committee is to oversee landlord compliance and building safety, ensure effective and customer focused repairs and maintenance services for existing homes, and oversee the development of new homes and our approach to sustainability. During the year the Committee achieved the following:

- Approved the development plan and monitored progress of the plan compared to the budget during the year
- Reviewed internal audits on the viability of the development plan, stock data, damp and mould, procurement spend and Dock 5 (ForHousing's Private Rented Scheme)
- Approved several new build developments
- Approved Ukraine and Afghan housing schemes
- Approved some tenure changes from shared ownership to affordable rent
- Oversight of performance of the Homes Strategy measures
- Approved the new void standard
- Approved the revised stock condition approach

Audit and Risk Committee

The Committee is responsible for oversight of internal controls, the strategic risk framework, recommending risk appetite to the Board, oversight of the internal audit programme and scrutiny of the year-end financial statements. During the year the Committee achieved the following:

- Reviewed the Financial Regulations and recommended them for approval to the Board
- Scrutinised all internal audit reports and oversight of the internal audit plan
- Recommended the financial statements to the Board
- Oversight of regulatory returns
- Received regular assurance on cyber security matters
- Approved the insurance programme
- Approved the annual internal audit plan
- Recommended the budget to the Board
- Oversight of risks and mitigations
- Recommended an enterprise risk management framework to the Board
- Recommended refreshed risk appetite and tolerance statements to Board
- Received regular reporting on safeguarding
- Received registers for fraud, whistleblowing and asset and liability

People and Culture Committee

The Committee is responsible for remuneration, recruitment and induction of new Board Members, succession planning and effectiveness of the Board and Committees, ensuring a positive culture is modelled within the organisation, oversight of Board training and appraisals and monitoring of the People measures. During the year the Committee achieved the following:

- Recommended a new Committee structure to the Board
- Evaluated the strengthened terms of reference
- Approved the approach to Board and Committee effectiveness
- Oversight of the Best Companies process
- Commissioned independent benchmarking for the Executive Management Team and Board
- Considered and implemented succession planning

arrangements
- Recommended the recruitment process for new Board and Committee members
- Approved the Board and Committee appraisal process
- Received EDI reporting, including the gender pay gap and ethnicity pay gap reports
- Recommended the pension strategy to the Board
- Supported a strategic pay review for customer facing colleagues
- Recommended pay awards to the Board for colleagues
- Oversaw the restructure of the Executive Management Team
- Received reporting on the Resource Strategy measures

Compliance with the Regulatory Standards

In January 2023 ForHousing's governance rating was downgraded from G2 to G3. ForHousing continues to engage positively with the Regulator of Social Housing to improve our governance grading and we have agreed a Voluntary Undertaking with the Regulator, supported by a Governance and Regulatory Improvement Plan (GRIP). At the end of the year, 98% of the GRIP action points were complete, with the final elements relating to the Group structure due to conclude in the autumn of 2024. A key rationale for the grading was due to the complex Group structure, significant progress has been made to simplify the Group.

The Board has reviewed ForHousing's performance against the economic and consumer regulatory standards and noted that all required outcomes and recommendations were being delivered. The self-assessment demonstrated full compliance with the economic standards, following a period of control and mitigation strengthening, which was reported to the December away day. Board were pleased to sign off compliance against the Standards and will look to seek a re-grade in the autumn of 2024.

During the year the Board has also undertaken a self-assessment against the new Consumer Standards, which was reviewed as part of the internal audit programme. The review was carried out by the internal auditors and noted no recommendations and demonstrated that ForHousing was well prepared for the new standards which came into force from 1st April 2024.

Compliance with the Code of Governance

ForHousing is compliant with the NHF Code of Governance 2020, with the exception of extending the tenure of one Board Member during the year. The extension is permitted under the Constitution if it is in the best interest of ForHousing. Lawrence McIntosh had a brief extension from January 2024 to the end of March 2024 to enable continuity of leadership during the delivery of the GRIP.

All relevant laws

The Governance and Regulatory Standard stipulates that we must comply with all relevant laws. Our compliance is monitored by the Audit and Risk Committee and reported upward to the Board for assurance. The Board confirms compliance with all relevant laws and regulations.

Anti-Money Laundering, Fraud and Whistleblowing

ForHousing is compliant with the legal and regulatory requirements associated with anti-money laundering, fraud and whistleblowing. Live registers are maintained and reported to the Audit and Risk Committee. Any matters of concern are reported to the Board. There were no incidences of money laundering or fraud reported during the year. Two whistleblowing incidents were reported during the year, however, the first did not constitute whistleblowing and was an individual complaint. The second was fully investigated, and no evidence of misconduct was found.

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 2023/24 but will continue to act in line with the Act. Our Modern Slavery Statement can be viewed on our website.

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.

Risk and Internal Controls

Overview

The Board has ultimate responsibility for establishing and maintaining a framework of internal controls. No system of internal control provides absolute assurance nor eliminates all risk but is designed to manage the risk of failure to achieve the strategic objectives.

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 Board delegates the scrutiny of risk and internal controls to the Audit and Risk Committee. The 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 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 is scrutinised and approved each year by the Board prior to the start of the financial year.

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

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

Performance and Compliance Monitoring

At regular Board and Committee meetings, reports outlining the

latest operational and financial performance compared to the target for the year are presented to enable the Board to maintain oversight of ForHousing's strategic measures and statutory compliance.

Risk Management and Assurance

During the year, the principles of the risk management framework have been embedded into the assurance and reporting provided to Boards and Committees.

The ForHousing Board keeps its risk appetite and risk tolerance statements under regular review, to ensure it remains flexible in a volatile environment. During the year, as part of the development of the ForHousing Strategy, there was a significant shift in appetite in relation to commercial activity. A decision was taken to focus on our core mission, to provide safe and affordable homes and deliver customer focused, equitable and efficient services.

The Audit and Risk Committee regularly reviews the risk register and considers any required changes to risks. The Board and Committees receive oversight of the risks relevant to its remit.

During the year, the Board has been preparing for the adoption of an Enterprise Risk Management framework for 2024-25.

As well as monitoring risks, assurance plays a pivotal role in supporting the health of the organisation. Assurance activities are provided through a series of internal and external sources, including but not limited to:

- A risk based Internal Audit programme including specific business critical control audits
- Governance Framework
- Internal audit recommendation tracker
- Intra-Group Agreement
- Policies and Procedures
- Risk and Assurance Framework
- Fraud Register
- Whistleblowing Register
- Asset and Liability Register
- Stress-testing, including single and multi-variant scenarios
- Assessments against the regulatory standards and adopted Code of Governance
- Benchmarking data
- Scrutiny Group reports
- Audit and Risk Committee meetings with the internal and external auditors at least once a year, without any Executive officers present
- Homes England Audits
- V1 Grading by RSH
- Cyber Security Plus accreditation via NCC Group –annually
- ISO9001 surveillance audit – April 2023
- TPAS Accreditation – December 2023
- Resolve Accreditation 2023
- Accredited Living Wage employer
- Disability Confident Accreditation
- Best companies - 2-star outstanding organisation.
- Validation of Business Continuity Plan
- Gender and ethnicity pay gap reporting

Principle Risks and uncertainties

The Board monitor all strategic risks; however, the top risks are linked to health and safety and financial performance and are set out below:

Risk Title	Mitigating Actions
Tenant safety compromised by weak landlord compliance or building safety issues.	Compliance Framework and detailed Policies and Procedures in all compliance areas of building safety
	Performance Management Framework used to report to Board and Homes committee quarterly and executive management team monthly.
	Internal Building Safety Forum highlighting emerging issues, near miss incidents, and the forum identify learning and improvement recommendations.
Commercial investments are not targeted in line with the requirements of the Investment Policy, or do not generate returns commensurate with the risk.	Investment Policy, including new investment appraisal criteria and required exit strategies
	'Safe' outright sale (meaning in high value, high demand areas only) – targeting a minimum 16% return (subject to annual review). The outright sales programme was pushed back to 2025 during the year due to the potential impact of the high interest rate environment on mortgage availability.
	Business Plan Stress Testing and Risk Mitigation Strategies
	Performance of Commercial Investments reported to Board through Investment Policy and Golden Rules
Funding and capacity is insufficient to deliver corporate plan requirements and ensure covenant and balance sheet strength.	Business Plan Stress Testing and Risk Mitigation Strategies and recovery plan reported to Board annually and to the RSH through the Financial Forecast Return (FFR).
	Daily cash flow monitoring.
	Quarterly reporting of Treasury Golden Rules to the Board.
	Loan covenant compliance reported monthly to the Executive Management Team and quarterly to the Board.
Financial Performance (Current and Future) threatened by loss of income and/or increased costs	Investment Policy Golden Rules reported monthly to executive management team and quarterly to Board.
	Business plan includes headroom over and above the stretch budget to absorb under-performance. This is reported to the board annually as part of Budget and Business Plan Report.
VfM not achieved in the delivery of corporate plan outcomes.	VfM metrics reported monthly to the Executive Management Team and quarterly to the Board.
	Annual Budget and Business Planning- Budget includes 5-year stretch targets above the Business Plan targets

Risk Title	Mitigating Actions
	All procurement expenditure above £10k analysed to determine VfM is achieved.
ForHousing unable to maintain its Strategic Independence in the Group and prioritise protection of Social Housing Assets	Intra-Group agreement last agreed in September 2023.
	Risk and Assurance Framework includes mitigation around Group entities' influence on ForHousing decisions.
	Adherence to constitutional documents mandate actions that have to be taken in relation to decision that impact ForHousing.
	NHF Code of Governance 2020 Assessment reported to Board through the Statement of Internal Control. Self-Assessment against the regulatory Standards presented to the Board and on-going compliance is monitored.
Insufficient targeted investment in ForHousing homes to ensure they remain safe, in good repair, and are sustainable	Asset performance modelling outcomes inform investment and disposal programme.
	Ongoing internal stock condition surveys minimum 20% annually which are delivered internally, and 10% external validation survey undertaken at least every 4 years.
	Performance Management Framework quality of work and performance of contractors. Reported to Strategic Investment Group bi-monthly and to the Homes Committee quarterly.

Board statement on effectiveness of internal controls

The Audit and Risk Committee received assurance from the Executive Management Team on 6th June 2024 on the effectiveness of the internal controls, and the Audit and Risk Committee provided upwards assurance to the Board on 27th June 2024 in respect of the internal controls. There were no significant control weaknesses or breakdown in internal controls that resulted in material losses during the year.

During the year there were 15 internal audits carried out and of these only 1 received partial assurance: asset and liability register, a number of recommendations were made to strengthen the process. All of these have now been actioned and approved by the Audit and Risk Committee.

Statement of Compliance

The Audit and Risk Committee considers the Committee to be independent and effective, in line with the Financial Reporting Council's expectations of Audit and Risk Committees. Furthermore, the internal and external auditors are deemed to be independent.

The Board confirms that the Directors 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.

The Strategic report was approved by the Board on and signed on its behalf by:

……..
James Barclay
Board Member and Chair of Audit & Risk Committee

Statement of the Board's Responsibilities

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

Co-Operative and Community Benefit Society law requires the Board Members to prepare financial statements for each financial year. In preparing these financial statements, the Board Members are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards 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 Society 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 Statement of the Board Responsibilities was approved by the Board on and signed on its behalf by:

……

Paul Kennedy
Chair of the Board

Paul Kennedy
Chair of the Board

Independent Auditor's Report to the Members of ForHousing Group Ltd

Opinion

We have audited the financial statements of ForHousing Limited (the 'Society') and its subsidiaries (the "Group") for the year ended 31st March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Society's Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Society's Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Reserves, the Society 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 Society's affairs as at 31 March 2024 and of the income and expenditure of the Group and the income and expenditure of the Society 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 Society'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 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 Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Society;
- 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 33, 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 Society'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 disclosures.

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.

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

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 Lucy Robson.

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 Society'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 Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

……..
Lucy Robson (Senior Statutory Auditor)
RSM UK Audit LLP
Statutory Auditor
Landmark, St Peter's Square
1 Oxford Street
Manchester M3 3HF

Statement of Comprehensive Income
Year ended 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Turnover	**3**	**137,574**	**126,385**	**136,419**	**124,994**
Operating Costs	**3**	(121,751)	(108,092)	(120,480)	(106,673)
Cost of Sales		(1,545)	(2,072)	(1,521)	(2,072)
Gain on Disposal of Fixed Assets	**6**	2,400	6,496	2,400	6,496
Operating Surplus		**16,678**	**22,717**	**16,818**	**22,745**
Movement in Fair value of Investment	**14**	205	15,989	205	15,989
Impairment of Investment	**28**	(16,430)	-	(16,430)	-
Other Income		-	-	385	286
Interest Receivable	**7**	1,710	254	1,707	253
Interest and Financing Costs	**8**	(10,005)	(10,106)	(10,004)	(10,106)
(Deficit)/Surplus Before Taxation		**(7,841)**	**28,854**	**(7,319)**	**29,167**
Taxation	**11**	(10)	(3)	(10)	(3)
(Deficit)/Surplus for the Year		**(7,852)**	**28,851**	**(7,329)**	**29,163**
Other Comprehensive Income					
Actuarial(losses)/gains on Pension Schemes	**22**	(9,121)	12,302	(9,121)	12,302
Total Comprehensive (Expenditure) / Income for the Year		**(16,973)**	**41,153**	**(16,450)**	**41,466**

Statement of Financial Position
Year Ended 31st March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Fixed Assets					
Tangible Fixed Assets - Housing Properties	**12**	428,385	414,930	428,981	415,325
Tangible Fixed Assets – Other	**13**	7,429	7,292	7,429	7,292
Investment Properties	**14**	117,287	116,850	117,287	116,850
Long Term Investments	**15**	9,196	25,646	9,196	25,646
		562,296	**564,718**	**562,893**	**565,113**
Long term Debtors		7,105	5,000	7,105	5,000
Current Assets					
Properties Held for Sale	**16**	52	1,090	52	1,090
Inventory		134	12	-	-
Receivables	**17**	38,597	28,352	36,145	28,179
Cash and cash equivalents		5,204	5,356	4,498	3,593
		43,987	**34,810**	**40,695**	**32,862**
Payables: Amounts Falling Due Within One Year	**18**	(47,033)	(38,781)	(43,896)	(37,318)
Net Current Assets/(Liabilities)		**(3,046)**	**(3,971)**	**(3,201)**	**(4,456)**
Total Assets less Current Liabilities		**566,355**	**565,747**	**566,797**	**565,657**
Payables: Amounts Falling Due After More Than One Year	**18**	(325,061)	(314,219)	(325,061)	(314,209)
Provisions for Liabilities					
Pension (Liability)/Asset	**22**	(2,649)	4,089	(2,649)	4,089
Total Net Assets		**238,645**	**255,618**	**239,087**	**255,537**
Reserves					
Income and Expenditure Reserve		238,645	255,618	239,087	255,537
Total Reserves		**238,645**	**255,618**	**239,087**	**255,537**

The notes on pages 44 to 77 form part of these financial statements.

The financial statements of ForHousing Group Limited, registered society number 30483, were approved by the Board and authorised for issue on and signed on its behalf by:

James Barclay
Board Member and Chair of Audit & Risk Committee

Gemma Burton-Connolly
Group Company Secretary

Paul Butterworth
Board Member

Statement of Changes in Reserves
Year ended 31 March 2024

	Group		Society	
	Income and Expenditure Reserve £'000	Total £'000	Income and Expenditure Reserve £'000	Total £'000
Balance as at 31 March 2022	**214,465**	**214,465**	**214,302**	**214,302**
Surplus for the Year	28,851	28,851	29,164	29,164
Other Comprehensive Income for the Year	12,302	12,302	12,302	12,302
Adjustment	-	-	(231)	(231)
Balance as at 31 March 2023	**255,618**	**255,618**	**255,537**	**255,537**
Surplus for the Year	(7,852)	(7,852)	(7,329)	(7,329)
Other Comprehensive Income for the Year	(9,121)	(9,121)	(9,121)	(9,121)
Balance as at 31 March 2024	**238,645**	**238,645**	**239,086**	**239,086**

The notes on pages 44 to 77 form part of these financial statements.

Group Statement of Cashflows
Year ended 31 March 2024

Group	Note	2024 £'000	2023 £'000
Net Cash Generated from Operating Activities		**19,291**	**16,948**
Cash Flow from Investing Activities	**28**		
Purchase and Refurbishment of Tangible Fixed Assets - Housing Properties	**12**	(30,971)	(27,859)
Purchase and Refurbishment of Other Tangible Fixed Assets	**13**	(814)	(668)
Purchase and Refurbishment of Investment Properties	**14**	(232)	(8,379)
Proceeds from Sale of Tangible Fixed Assets	**6**	3,909	10,283
Grants Received	**21**	4,833	8,165
Interest Received	**7**	1,710	254
Cash Flow from Financing Activities		**(21,565)**	**(1,256)**
Interest Paid	**8**	(9,682)	(10,677)
New Secured Loans/Financing costs	**21**	12,000	7,029
Repayment of Borrowings		(196)	(2,110)
Net cash used in financing activities		**(2,122)**	**(5,757)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**(152)**	**(7,014)**

Group	Note	2024 £'000	2023 £'000
Reconciliation of Net Cash Flow to Movement in Net Debt			
Cash and Cash Equivalents		5,356	12,370
Loans	**21**	(209,362)	(201,259)
Changes in Net Debt Arising from:			
Cash Flows from Entity		(152)	(7,014)
Movement in borrowings		(11,804)	(4,926)
Movement in Net (Debt):		**(11,956)**	**(11,940)**
Closing Net (Debt):			
Cash and Cash Equivalents		5,204	5,356
Accrued loan repayment		(15,059)	-
Loans		(206,107)	(206,185)
Closing Net (Debt)		**(215,962)**	**(200,829)**

The notes on pages 44 to 77 form part of these financial statements.

Notes to the Financial Statements for the Year ended 31 March 2024

1. Legal Status

The Society is registered with the Financial Conduct Authority under the Co-Operative and Community Benefits Society Act 2014 and is also registered with the Regulator of Social Housing as a social housing provider. The Society is a public benefit entity.

2. Accounting Policies

Basis of Accounting

The financial statements of the Group 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 Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are presented in pounds sterling, except where otherwise indicated.

Going Concern

The appropriateness of preparing the accounts on a going concern basis continues to be set against a backdrop of economic instability. During the year we continued to see high levels of inflation and the resulting cost of living crisis impacted our customers' ability to pay their rent.

ForHousing also continues to operate in a sector where regulations surrounding fire safety, damp and mould and the environment have evolved. These factors are key considerations in setting our budgets for the financial year ahead, and more significantly in our long-term planning, covering the next 30 years. The assumptions in our business plans – interest rates, inflation, demand for property and legislative impact amongst others – are subjected to a range of stress testing, to identify areas of risk or concern, with a particular focus on continued loan covenant compliance and appropriate mitigation – such as fixing interest rates.

Whilst ForHousing's Statement of Financial Position shows net current liabilities of £3.0m (2023: net current liabilities: £4.0m), it also shows that ForHousing has net assets of £238.6m (2023: £255.6m), including a closing cash and cash equivalents position of £5.2m (2023: £5.4m). Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group or Society's ability to continue as a going concern as ForHousing is well placed to absorb the impact of changes that lie ahead.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

Disclosure Exemptions

In preparing the separate financial statements of the parent Society, ForHousing 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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of ForHousing Limited and its subsidiary undertakings in ForCapital Limited, ForHousing DevCo Limited and ForLiving Limited to 31st March 2024.

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

Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. ForViva is the parent entity but due to intended post year end strike off, no consolidated accounts are being prepared at this level for the year ended 31 March 2024. Hence the highest level of group consolidation is at ForHousing Group Limited's level.

Critical Estimates and Assumptions 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 Society's management to exercise judgement in applying the Society'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 new homes development 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.

- ***Costs to Complete***

  The anticipated costs to complete on a new homes 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***

  Factors taken into consideration in reaching a decision relating to whether there are indicators of impairment of ForHousing's tangible assets 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 has 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.

- ***Commercial Investments in Group Companies***
  Commercial investments in Group companies are accounted for at cost less provision for impairment. An assessment is made at each reporting date of whether there are indications that the investments may be impaired. Shortfalls between the carrying value of the investment and their recoverable amounts are recognised as impairment losses in the Statement of Comprehensive Income.

- ***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 annually by an independent 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.

- ***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 and 13 for the net book value of tangible fixed assets.

  Housing property 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 £428.4m (2023: £414.9m) (see Note 12 for further information).

- ***Defined Benefit Pension Schemes***
  The critical underlying assumptions in relation to the estimate of the defined benefit pension scheme obligations are standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded of £2.6m liability (2023: £4.1m asset).

In accordance with FRS102 paragraph 28.22, a pension scheme liability is recognised on the balance sheet only to the extent that the 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 GMPF and CPF pension schemes assets are 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.

Turnover and Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable. The Society generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties unavailable for letting);
- First tranche sales of Low Cost Home Ownership housing properties and other properties developed for sale;
- Service charges receivable;
- Revenue grants;

- Proceeds from the sale of land; and
- Revenue 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 where the Society collects rental income and service charges on behalf of a customer only the revenue received for performing this service is recognised as turnover for the entity.

Gift Aid Income

Donations received under the Gift Aid scheme to ForHousing from its subsidiaries are recognised as other income upon receipt and is eliminated on consolidation.

Service Charges

The Society has both fixed and variable service charges for its customers 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.

Government Grants

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.

Property Managed by Others

Where the Society carries the financial risk on property managed by others, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income of the Society. Where revenue grants are claimed by the Society, these are included as income in the Statement of Comprehensive Income, and expenditure in the same period.

Finance Costs

Interest payable is charged to the Statement of Comprehensive Income on an accruals basis in the year and any interest receivable is credited to the Statement of Comprehensive Income in the year.

Taxation

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

Deferred Tax

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

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the

reporting date in the United Kingdom.

Value Added Tax (VAT)

A large proportion of the Society's income is rent, which is exempt for VAT purposes. The Group is subject to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is credited to the Statement of Comprehensive Income.

Fixed Assets – Housing Properties

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.

The Society 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 are 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 useful economic life of the improvements.

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

Fixed Assets – New Housing Properties 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income in the year in which they are incurred. Any grant funding received will be amortised over the useful economic life of the asset.

Depreciation

The Society 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.

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

- 80 Years – General Structure
- 20 Years – Flat Roofs
- 25 Years – Bay Roof
- 60 Years – Pitched Roof

- 10 Years – CCTV, Door Entry, Stairlifts, Hoists
- 15 Years – Boilers
- 20 Years – Kitchens
- 25 Years – Flooring
- 30 Years – Bathrooms, Heating Systems, Windows, Doors, Lifts, External rendering, Balconies, PV Panels
- 40 Years – Drainage

Other Tangible Fixed Assets

Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets at the following annual rates:

- 3 Years – Computer Equipment
- 4 Years – Fixture and Fittings
- 4 Years – Vehicles
- 3-5 Years – Plant and Machinery
- 30-60 Years – Freehold and Leasehold Property and Improvements

Intangible Fixed Assets

Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets at the following annual rates:

- 3 Years – Software

Impairment

The housing property portfolio for the Society 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 Society 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 Society 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 the carrying value, the impairment is charged to the Statement of Comprehensive Income.

Receivables and Payables

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

Provision for Bad & Doubtful Debt

The Society 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 the Statement of Comprehensive Income in the year in which they are incurred. A provision for bad and doubtful debts is made on an estimation of those debts that will not be recovered at the Statement of Financial Position date.

Arrangements to Pay

The Society 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 Society has reviewed its rent and service charge 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 and 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.

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).

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 Statement of Comprehensive Income.

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).

Non-basic financial instruments are recognised at fair value, which is normally the 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).

Loan Fees

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

Pensions

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 value, and 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.

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 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 Society. 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.

3. Turnover, Costs of Sales, Operating Costs, Surplus from Disposal of Fixed Assets and Operating Surplus

Group Social housing lettings, other social housing and non-social housing activities	2024 Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/deficit £'000	2023 Restated Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/deficit £'000
Total Social Housing Lettings	**93,044**	**-**	**(82,460)**	**10,585**	**89,575**	**-**	**(77,307)**	**12,268**
First Tranche Shared Ownership Sales	1,809	(1,545)	-	264	- 2,362	- (2,072)	- -	- 290
Charges for Support Services	480	-	(1,362)	(882)	431	-	(806)	(375)
Managed for Others Services	27,428	-	(27,322)	105	21,672	-	(20,169)	1,503
Other	69	-	(829)	(760)	-	-	-	-
Total Other Social Housing Lettings	**29,786**	**(1,545)**	**(29,513)**	**(1,273)**	**24,465**	**(2,072)**	**(20,975)**	**1,418**
Activities Other than Social Housing	7,416	-	(6,749)	667	6,814	-	(7,349)	(535)
Market Rent	7,326	-	(3,027)	4,299	5,532	-	(2,462)	3,070
Total Other	**14,742**	**-**	**(9,776)**	**4,966**	**12,346**	**-**	**(9,811)**	**2,535**
Grand Total	**137,572**	**(1,545)**	**(121,751)**	**14,278**	**126,386**	**(2,072)**	**(108,093)**	**16,220**

Within this note, 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 ForHousing DevCo Limited are internal to the ForHousing Group and therefore adjusts out on consolidation

3. Turnover, Costs of Sales, Operating Costs, Surplus from Disposal of Fixed Assets and Operating Surplus

Society Social housing lettings, other social housing and non-social housing activities	2024 Turnover £'000	 Cost of sales £'000	 Operating costs £'000	 Operating surplus /deficit £'000	2023 Restated Turnover £'000	 Cost of sales £'000	 Operating costs £'000	 Operating surplus /deficit £'000
Total Social Housing Lettings	**92,664**	**-**	**(81,332)**	**11,333**	**88,185**	**-**	**(76,059)**	**12,125**
First Tranche Shared Ownership Sales	1,809	(1,521)	-	288	2,362	(2,072)	-	290
Charges for Support Services	480	-	(1,362)	(882)	431	-	(806)	(375)
Managed for Others Services	27,428	-	(27,323)	104	21,672	-	(20,169)	1,503
Other	69	-	(829)	(760)	-	-	-	-
Total Other Social Housing Lettings	**29,786**	**(1,521)**	**(29,514)**	**(1,250)**	**24,465**	**(2,072)**	**(20,975)**	**1,418**
Activities Other than Social Housing	7,398	-	(6,749)	649	7,473	-	(7,352)	120
Market Rent	6,570	-	(2,884)	3,686	4,872	-	(2,286)	2,586
Total Other	**13,968**	**-**	**(9,633)**	**4,335**	**12,345**	**-**	**(9,638)**	**2,707**
Total	**136,418**	**(1,521)**	**(120,480)**	**14,418**	**124,995**	**(2,072)**	**(106,672)**	**16,250**

Within this note, operating surplus is stated before fair value gains and fixed asset disposals.

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

	Group				Society			
	General Needs Housing £'000	Supported Housing £'000	2024 Total £'000	2023 Total Restated £'000	General Needs Housing £'000	Supported Housing £'000	2024 Total £'000	2023 Total Restated £'000
Rent receivable	74,966	7,290	82,256	78,401	74,990	7,292	82,282	78,400
Service charge income	4,115	400	4,515	3,884	4,115	400	4,515	3,884
Income for support services	-	480	480	787	-	480	480	787
Amortised Government grants	3,756	365	4,121	4,016	3,756	365	4,121	4,016
Other income	1,526	148	1,674	2,487	1,154	112	1,266	1,097
Turnover from Social Housing Lettings	**84,363**	**8,683**	**93,046**	**89,575**	**84,015**	**8,649**	**92,665**	**88,185**
Expenditure								
Management	24,858	2,417	27,275	25,590	23,920	2,327	26,247	24,531
Routine Maintenance	20,741	2,017	22,758	19,117	20,698	2,013	22,711	19,088
Planned Maintenance	7,173	697	7,870	7,053	7,163	697	7,860	7,038
Major Repairs Expenditure	1,802	175	1,977	1,808	1,802	175	1,977	1,806
Service Costs	3,653	355	4,008	4,301	3,630	353	3,983	4,179
Care and Supported costs	-	829	829	711	-	829	829	711
Bad Debts	535	52	587	1,250	523	51	574	1,229
Depreciation, Housing Properties	15,109	1,469	16,578	15,735	15,109	1,469	16,578	15,734
Depreciation, Other Fixed Assets	434	42	476	659	434	42	476	660
Other Costs	91	9	100	1,083	90	9	99	1,083
Total Expenditure on Lettings	**74,396**	**8,062**	**82,458**	**77,307**	**73,369**	**7,965**	**81,334**	**76,059**
Operating Surplus on Letting Activities	**9,967**	**622**	**10,588**	**12,268**	**10,646**	**685**	**11,331**	**12,125**
Voids	**953**	**93**	**1,046**	**945**	**953**	**93**	**1,046**	**945**

ForCapital Limited and ForHousing Devco Limited do not generate any income or expenditure from social housing lettings.

4. Accommodation in Management and Development

Group and Society – Units Owned and/or Managed	2024 No. of Properties	2023 No. of Properties Restated
Social Housing		
- Social Rent – General Needs	19,975	19,920
- Affordable Rent – General Needs	1,413	1,444
Supported Housing:		
- Social Rent	1,625	1,574
- Affordable Rent	162	162
Shared Ownership	157	155
Social Leaseholders	887	887
Total Social Housing Owned and/or Managed	**24,219**	**24,142**
Non-Social Housing		
Leaseholders	23	23
Market Rent	609	608
Total Owned and Managed	**24,851**	**24,773**

Group	2024 No. of Properties	2023 No. of Properties
Owned and managed	18,965	19,308
Managed only	5,866	5,465
Total Owned and/or Managed	**24,851**	**24,773**

Society	2024 No. of Properties	2023 No. of Properties
Owned and managed	18,556	19,005
Owned but managed by subsidiary company	409	303
Managed only	5,886	5,465
Total Owned and/or Managed	**24,851**	**24,773**

During the year ForHousing completed the development of 167 new homes, however 5 schemes totaling 140 units (Knowsley Rough Sleepers Accommodation Programme, East Halewood, Ukraine and Afghan Refugee Program, Right to Buy Buyback program and Cheshire West and Chester Leases at Vistry Sites for Intermediate Rent and Wharton Green for Intermediate rent) were completed through DevCo.

At the end of the year ForHousing owned 609 properties which were managed by other entities.

ForCapital Limited, ForHousing DevCo Limited and ForLiving Limited do not own any housing stock. ForLiving Limited manages 609 Market Rent properties on behalf of ForHousing Limited.

5. Operating Surplus

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
The Operating Surplus is Arrived at After Charging:				
Depreciation of Housing Properties	16,579	15,833	16,579	15,833
Depreciation of Other Tangible Fixed Assets	477	236	236	236
(Gain) on Disposal of Housing Assets	(2,400)	(6,497)	(2,400)	(6,497)
Operating Lease Rentals:				
-Office Equipment and Computer	206	-	206	-
-Land and Buildings	37	475	(508)	100
-Other - White Goods	539	492	539	492
Auditor's remuneration (excluding VAT):				
Fee Payable to the Auditors for the Audit of the Financial Statements.	121	103	92	72

6. Surplus on Sale of Fixed Assets

Group and Society	2024			2023		
	Proceeds £'000	Cost of Sales £'000	Surplus £'000	Proceeds £'000	Cost of Sales £'000	Surplus £'000
AHO/LCHO Staircasing	151	(63)	88	229	(119)	111
RTB/RTA Sales	3,348	(1,411)	1,938	7,928	(3,514)	4,414
Sale of Other Assets	409	(35)	375	2,126	(153)	1,972
Surplus on Sale of Fixed Assets	**3,908**	**(1,509)**	**2,401**	**10,283**	**(3,786)**	**6,497**

7. Interest Receivable and Other Income

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank Interest Receivable and Similar Income	207	114	204	113
Income from Intercompany Loan	170	140	170	140
Defined benefit pension interest	1,332	-	1,332	-
Total Interest Receivable and Other Income	**1,709**	**254**	**1,706**	**253**

8. Interest and Financing Costs

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Finance Costs	321	344	321	344
Defined Benefit Pension Interest Costs	-	219	-	219
Interest on Loans Repayable in Less Than Five Years	509	2,173	509	2,173
Interest on Loans Repayable in More Than Five Years	8,984	7,357	8,984	7,357
Non-Utilisation Fee	172	4	172	4
Notional Interest on RCGF	-	3	-	3
Bank charges & other fees	18	6	17	6
Total Interest and Financing Costs	**10,004**	**10,106**	**10,003**	**10,106**

9.Staff Costs

The average number of employees expressed as full-time equivalents (calculated on standard working hours per week)

Group and Society	2024 FTE	2023 FTE
Housing Management, Maintenance & Development	120	107
Management & Administration	504	491
	624	**598**

Group and Society	2024 £'000	2023 £'000
Wages and Salaries	23,140	21,512
Social Security Costs	2,439	2,300
Pension Costs	1,546	1,685
	27,125	**25,497**
Restructuring Costs	133	481
Total Employee Costs	**27,257**	**25,977**

The following number of full-time equivalent staff have remuneration (including compensation for loss of office and pension contributions) of £60,000 or more, shown in bands of £10,000.

Group and Society Salary Banding	2024 FTE	2023 FTE
£60,001 - £70,000	24	2
£70,001 - £80,000	10	10
£80,001 - £90,000	9	5
£90,001 - £100,000	11	8
£100,001 - £110,000	4	2
£110,001 - £120,000	1	2
£120,001 - £130,000	2	-
£130,001 - £140,000	1	1
£140,001 - £150,000	-	3
£150,001 - £160,000	1	1
£160,001 - £170,000	2	1
£170,001 - £180,000	2	-
£200,001 - £300,000	1	1
	68	**36**

This movement is mainly due to the 5% salary increase in April 2023, as well as staff promotions.

10. Directors Emoluments

The emoluments disclosed in the table below relate to Non-Executive Board Members and the Executive Management Team as outlined on Page 1 of these Financial Statements.

Board members received payments of £0.209m in their capacity as members of ForHousing (2023: £0.204m).

There was an average of 7 members of the Executive Team during the year (2023: 7).

Group and Society	2024 £'000	2023 £'000
The Board	209	204
Key Management Personnel (excluding pension contributions)	1,184	1,567
	1,394	**1,771**
Amount payable to the highest paid Director (excluding pension contributions)	250	123
Loss of office payments in respect of highest paid director	-	223

In 2023 the amount payable to the highest paid director (£123k) was for 6 months only due to the previous Chief Executive retiring on 30th September 2022. The loss of office payment in 2023 also related to the previous Chief Executive.

The total emoluments paid to Key Management Personnel (Including Pension Contributions and Benefits in Kind) in 2024 was £1.3m (2023: £1.7m). Key Management Personnel is solely comprised of all members of the Executive Management Team.

In 2023 the former Chief Executive's retirement included a constructive obligation for remuneration dating back to 2019 which was included in Executive Management Team, 2023: £610k.

The Board appointed Michael Parkin as Chief Executive Officer on a permanent basis from 1st April 2023.

During the year, the highest paid director, the Chief Executive, received a 20% cash alternative to an employer's pension contribution of £41k (2023: £37k).

The number of Directors (Executive and non-Executive) who received emoluments (including employer's pension and employer's national insurance contributions) was as follows:

Group and Society	2024 FTE	2023 FTE
£0 - £10,000	1	3
£10,001- £20,000	7	5
£20,001- £30,000	3	3
£30,001 - £40,000	-	1
£60,001 - £70,000	1	-
£110,001 - £120,000	-	1
£150,001 - £160,000	2	1
£160,001 - £170,000	1	2
£170,001 - £180,000	1	1
£180,001 - £190,000	1	1
£220,001 - £230,000	-	1
£240,001 - £250,001	1	-
£360,001 - £370,000	-	1
	18	**20**
Number of Directors to whom retirement benefits are accruing in respect of qualifying services.	11	10

11. Tax

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 Society, will be subject to 25% tax charge.

The estimated tax charges for the year are as follows:

Group and Society	2024 £'000	2023 £'000
Current Tax		
UK Corporation Tax Adjustment Prior Year	10	(3)
Total Current Tax	**10**	**(3)**
Deferred Tax		
Current Year	-	-
Total Deferred Tax	**-**	**-**
Tax Charge/(credit) for the year	**10**	**(3)**

The tax a rate of assessment for the year is lower than the standard Rate of corporation tax in the United Kingdom at 25%. The differences are explained as follows:

Group and Society	2024 £'000	2023 £'000
Total tax reconciliation		
Surplus on ordinary activities before tax	9,111	28,853
Tax on surplus on ordinary activities at 25%	2,278	5,482
Effects of:		
Profits Exempt from Tax Due to Charitable Exemption	(2,268)	(5,485)
Total tax charge/(credit)	**10**	**(3)**

The rate of UK Corporation tax from 1st April 2023 has increased to 25% (2023: 19%).

12. Tangible Fixed Assets - Housing Properties

Group and Society	Completed Social housing properties held for letting £'000	Social housing properties for letting under construction £'000	Completed Shared ownership properties £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2023	**540,036**	**10,822**	**8,540**	**1,735**	**561,133**
Additions	8,669	22,114	-	187	30,971
Works to existing properties:					
Component Replacements	(832)	-	-	-	(832)
Disposals	(865)	-	(71)	-	(936)
Developments Completed	8,185	(8,185)	1,510	(1,510)	-
Transfer to current assets	-	-	155	(413)	(258)
At 31st March 2024	**555,193**	**24,751**	**10,134**	**-**	**590,078**
Depreciation					
At 1 April 2023	**145,352**	**-**	**851**	**-**	**146,203**
Depreciation Charged in the year	16,407	-	172	-	16,579
Component Replacements	(832)	-	-	-	(832)
Reclassification Of Investment Properties	(247)	-	(9)	-	(256)
At 31st March 2024	**160,680**	**-**	**1,014**	**-**	**161,694**
Net Book Value at 31st March 2024	**394,514**	**24,751**	**9,120**	**-**	**428,385**
Net Book Value at 31st March 2023	**394,684**	**10,822**	**7,689**	**1,735**	**414,930**

Group and Society	Completed Social housing properties held for letting £'000	Social housing properties for letting under construction £'000	Completed Shared ownership properties £'000	Shared ownership properties under construction £'000	Total 2024 £'000	Total 2023 £'000
Social Housing Grants						
Cumulative Grant Recognised in the SOCI	57,278	70	78	47	57,472	53,351
Held in Deferred Income (See Note 19)	119,095	5,509	800	2,077	127,482	126,824
Total Accumulated Social Housing Grant as at 31st March 2024	**176,373**	**5,579**	**878**	**2,124**	**184,954**	**180,175**

Group and Society	2024 £'000	2023 £'000
Expenditure on Works To Existing Properties		
Components capitalized	7,735	8,530
De-Carb costs capitalized	934	3,792
De-Carb costs charged to SOCI	101	165
Amounts charged to SOCI	32,504	26,997
Total Expenditure on Housing Properties	**41,274**	**39,484**

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:

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 Society	Office Accommodation £'000	Vehicles £'000	IT Equipment £'000	Plant & Equipment £'000	Total £'000
Cost					
At 1 April 2023	**9,751**	**89**	**7,966**	**70**	**17,876**
Additions	-	-	775	39	814
Disposals	(191)	-	(9)	-	(200)
At 31st March 2024	**9,560**	**89**	**8,732**	**109**	**18,489**
Depreciation					
At 1 April 2023	**3,751**	**36**	**6,726**	**70**	**10,583**
Depreciation Charged in the year	252	17	208	-	477
At 31st March 2024	**4,003**	**53**	**6,934**	**70**	**11,060**
Net Book Value at 31st March 2024	**5,557**	**36**	**1,797**	**39**	**7,429**
Net Book Value at 31st March 2023	**6,000**	**53**	**1,239**	**-**	**7,292**

14. Investment Properties

Group and Society	2024 £'000	2023 £'000
Balance at 1st April 2023	**116,850**	**92,482**
Reclassification of Assets - Under Construction	-	8,379
Additions / Reclassifications - Market Rent	232	-
Fair Value Gain on Investment Properties	205	15,989
Balance at 31st March	**117,287**	**116,850**

Investment properties are held at fair value.
Included within investment properties as at 31st March 2024, 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. Valuations have been prepared on the basis of market value as at the balance sheet date, as described within our accounting policies.

15. Long Term Investments

Group and Society	2024 £'000	2023 £'000
Equity Loans	11	11
Other Investments	4	24
Shares Held in Liberty Group Investments Limited	9,181	25,611
Total Investments	**9,196**	**25,646**

At the end of the year, Long Term Investments included preference shares in Liberty Group Investments Limited (LGIL) with a brought forward carrying value of £25.6m. By the 30th September 2024 ForHousing will have completed the divestment of LGIL to a third party. The net sales proceeds were below the carrying value of the investment, which gave rise to an impairment of £16.4m when assessed as at 31 March 2024.

ForHousing has invested £4k 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.

16. Properties Held for Sale

Group and Society	2024 £'000	2023 £'000
Shared Ownership Properties		
Completed Properties	52	511
Properties under construction	-	579
Total Properties Held for Sale	**52**	**1,090**

There were 29 shared ownership units sold in 2023/24 and there are 3 shared ownership properties within the £52k held for sale as at 31st March 2024.

17. Receivables

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 Restated £'000
Amounts Due Within One Year:				
Rent and Service Charges Receivable	8,556	7,826	8,427	7,750
Less: Provision for Bad and Doubtful Debts	(4,980)	(5,077)	(4,920)	(5,034)
Net Rental Arrears	**3,576**	**2,749**	**3,507**	**2,716**
Other Debtors	12,129	6,369	12,129	6,263
Non- Tenant Debtor	1,870	1,242	1,859	1,237
VAT debtor	5	30	-	-
Prepayments & Accrued Income	14,945	11,991	12,178	11,902
ForHousing Group Debtors	-	-	411	45
Intercompany Debtors (Liberty)	6,073	5,397	6,061	5,442
VAT Shelter	-	574	-	574
Total Receivables	**38,598**	**28,352**	**36,145**	**28,180**
Due After More Than One Year:				
Amounts Owed from Intra-Group Loans	5,000	5,000	5,000	5,000
Other Long term Receivables	2,105	1	2,105	1
Total Receivables	**7,105**	**5,001**	**7,105**	**5,001**

18. Payables - Amounts Falling Due Within One Year

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 Restated £'000
Amounts Due Within One Year:				
Obligations Under Financing and Loans (Note 21)	2,234	15,255	20	18
Obligations Under Finance Leases	10	10	10	10
Intercompany Creditors (Liberty)	4,384	3,467	4,383	3,190
ForHousing Group Creditors	-	-	1,382	2,179
Deferred Income (Note 19)	4,166	4,117	4,166	4,117
Prepaid Income	285	192	285	192
VAT Creditor	338	61	338	61
Accruals	26,476	7,641	8,568	5,386
Trade Payables	3,923	3,289	2,597	2,296
Rent Advance Payments	3,035	3,064	3,021	3,051
Retentions	1,021	805	648	701
VAT Shelter	-	574	-	574
Land Proceeds	253	222	253	222
Amounts Owed to Group – Loan (Note 21)	-	-	17,331	15,237
Service Charge Advance Payments	184	83	184	83
PAYE and NI	710	-	710	-
Other payables	13	-	-	-
Total Payables	**47,032**	**38,780**	**43,896**	**37,317**

18. Payables- Amounts Falling Due After More Than One Year

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts Due Within One Year:				
Obligations Under Financing and Loans (Note 21)	153,907	144,141	31,184	31,204
Amounts Owed to Group (Note 21)	-	-	172,722	162,937
Deferred Income (Note 19)	123,315	122,707	123,315	122,707
Bond	50,000	50,000	-	-
Other Payables	68	57	68	48
Recycled Capital Grant Fund (Note 20)	85	120	85	120
Retentions	540	372	540	372
Loan Set Up Costs (Note 21)	(2,855)	(3,177)	(2,855)	(3,177)
Total Payables	**325,060**	**314,220**	**325,059**	**314,211**

19. Deferred Grant Income

Group and Society	2024 £'000	2023 £'000
At 1st April 2023	**180,175**	**172,108**
Grant Received in Year	5,949	8,165
Grant Reclassification	(1,116)	-
Released Government Grant to Income in Year	(54)	(99)
At 31st March 2024	**184,954**	**180,174**
Amortisation at 1st April 2023	**53,351**	**49,335**
Released Government Grant to Income in Year	4,121	4,016
Amortisation as at 31st March 2024	57,472	53,351
At 31st March 2024	**127,481**	**126,824**
Amounts to be Released Within One Year	4,166	4,121
Amounts to be Released in More Than One Year	123,315	122,703
Total Deferred Grant Income	**127,482**	**126,825**

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 Statement of Financial Position and is released to the Statement of Comprehensive Income on a systematic basis over the useful economic live 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).

20. Recycled Capital Grant Fund

Group and Society	2024 £'000	2023 £'000
At 1st April 2023	**120**	**62**
Grants Recycled	54	99
Withdrawals	(88)	(44)
Interest Accrued	-	3
Total Recycled Capital Grant Fund	**86**	**120**

As at 31st March 2024, 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 with ForCapital Limited, ForHousing DevCo Limited and ForLiving Limited.

21. Loans and Borrowings

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due Within One Year				
Bank Loans	2,234	15,255	20	18
Other Loans	-	-	2,215	15,237
Total Loans and Borrowings	**2,234**	**15,255**	**2,235**	**15,255**
Due After More than One Year				
Bank Loans	153,873	144,107	31,150	31,170
Bond	50,000	50,000	-	34
Other Loans	-	-	172,722	162,937
Finance Lease	34	-	34	-
Less Loan Set Up Costs	(2,855)	(3,177)	(2,855)	(3,177)
Total Loans and Borrowings	**201,052**	**190,930**	**201,051**	**190,964**

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

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within One Year or on Demand	2,234	15,255	2,234	15,255
One Year or More but Less than Two Years	78	19,734	78	19,734
Two Years or More but Less than Five Years	63,748	50,740	63,748	50,774
Five Years or More	140,047	123,633	140,047	123,633
Less Loan Set up Costs	(2,855)	(3,177)	(2,855)	(3,177)
	203,252	**206,185**	**203,252**	**206,219**

Loan Facilities

ForCapital has committed debt funding of £207.4m (2023: £222.6m) with the following institutions:

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

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

The weighted average interest rate of the ForCapital loans as at 31st March 2024 is 4.68% (2023: 3.7%). To mitigate exposure to interest rate risk, the funding facilities are split between fixed of £132.4m (2023: £147.7m) and variable of £75.0m (2023: £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.

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.

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 (2023: £0.5m) which is unutilised and does not require the security of a charge over ForHousing's properties.

22. Pensions

ForHousing participates in schemes independently administered by three providers:

The Greater Manchester Pension Fund (GMPF)

The GMPF is a multi-employer scheme, administered by Tameside County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2024 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2024 by a qualified independent actuary.

The net defined benefit asset at the year ended 31 March 2024 is £0.07m (2023: £5.1m).

The employer's contributions to the GMPF by ForHousing for the year ended 31st March 2024 were £0.519m (2023: £0.579m). The employers' contribution rate for the year ending 31st March 2024 was set at 18.5%. Estimated employer's contributions to the Greater Manchester Pension Fund during the accounting period commencing 1st April 2024 are £0.519m.

The GMPF scheme currently has 58 members that is no longer open to new members.

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 net defined benefit asset at the year ended 31 March 2024 is £0.71m (2023: £1.7m).

The employer's contributions to the CPF by ForHousing for the year ended 31st March 2024 were Nil (2023: £0.286m). The employers' contribution rate for the year ending 31st March 2024 was set at 0%.

The Social Housing Pension Fund (SHPS)

The society participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK, which is administered by The Pensions Trust is a defined benefit scheme. The scheme is classified as a 'last man standing' arrangement. Therefore, the Society is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. The average employers' contribution rate for the year ending 31st March 2024 was set at 13.4%.

The most recent formal actuarial valuation was as at 30 September 2021 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2024 by a qualified independent actuary. The net defined benefit liability at the year ended 31 March 2024 is £3.4m (2023: £2.8m).

Under FRS 102, a pension scheme asset should only be recognised to the extent that the Association is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This limit is known as the asset

ceiling.

GMPF: the LGPS pension asset of £33.1m has been reduced by £33.0m to recognize the impact of the asset ceiling on the pension fund actuarial gain in the 2023/24 year, thus reducing the overall asset position to £0.07m.

CPF: the LGPS pension asset of £3.3m has been reduced by £2.5m to recognize the impact of the asset ceiling on the pension fund actuarial gain in the 2023/24 year, thus reducing the overall asset position to £0.7m.

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements.

Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

Group and Society	2024				2023			
	GMPF £'000	CPF £'000	SHPS £'000	Total	GMPF £'000	CPF £'000	SHPS £'000	Total
Fair value of scheme assets	87,444	16,986	14,040	**118,470**	82,821	16,201	13,847	**112,869**
Present value of obligation	(54,391)	(13,733)	(17,469)	**(85,593)**	(55,083)	(13,625)	(16,616)	**(85,324)**
Application of asset ceiling	(32,985)	(2,541)	-	**(35,526)**	(22,619)	(837)	-	**(23,456)**
Total share of surplus/(deficit) in the scheme	**68**	**712**	**(3,429)**	**(2,649)**	**5,119**	**1,739**	**(2,769)**	**4,089**
Movements in fair value of assets								
Opening fair value of scheme assets	82,821	16,201	13,847	**112,869**	79,769	18,034	24,778	**122,581**
Interest income on scheme assets	3,904	763	704	**5,371**	2,146	495	700	**3,341**
Actuarial gains	1,995	298	(1,999)	**294**	1,400	(2,319)	(12,825)	**(13,744)**
Expenses	-	-	-	**-**	-	-	-	**-**
Contributions from employers	519	-	1,372	**1,891**	579	286	1,402	**2,267**
Contributions from employees	221	69	450	**740**	231	72	529	**832**
Benefits paid	(2,016)	(345)	(334)	**(2,695)**	(1,304)	(367)	(737)	**(2,408)**
Closing fair value of scheme assets	**87,444**	**16,986**	**14,040**	**118,470**	**82,821**	**16,201**	**13,847**	**112,869**
Movements in value of obligations								
Opening defined benefit obligation	(55,083)	(13,625)	(16,616)	**(85,324)**	(83,157)	(20,155)	(27,353)	**(130,665)**
Service costs	(586)	(240)	19	**(807)**	(1,442)	(456)	(247)	**(2,145)**
Interest costs	(2,588)	(646)	(805)	**(4,039)**	(2,249)	(556)	(755)	**(3,560)**
Actuarial (losses)/gains	2,071	502	82	**2,655**	30,692	7,247	11,563	**49,502**
Expenses	-	-	(33)	**(33)**	-	-	(32)	**(32)**
Benefits paid	2,016	345	334	**2,695**	1,304	367	737	**2,408**
Contributions by scheme members	(221)	(69)	(450)	**(740)**	(231)	(72)	(529)	**(832)**
Closing defined benefit obligation	**(54,391)**	**(13,733)**	**(17,469)**	**(85,593)**	**(55,083)**	**(13,625)**	**(16,616)**	**(85,324)**

Analysis of amounts charged to the Statement of Comprehensive Income

Group and Society	2024				2023			
	GMPF £'000	CPF £'000	SHPS £'000	Total £'000	GMPF £'000	CPF £'000	SHPS £'000	Total £'000
Service costs	(586)	(240)	19	**(807)**	(1,442)	(456)	(247)	**(2,145)**
Expenses	-	-	(33)	**(33)**	-	-	(32)	**(32)**
Net finance charge	1,316	117	(101)	**1,332**	1,316	117	(55)	**1,378**
	730	(123)	(115)	**492**	**(126)**	**(339)**	**(334)**	**(799)**
OCI - Actuarial Gains/(Losses)								
Actual less expected return on assets	1,995	298	(1,999)	**294**	1,400	(2,319)	(12,825)	**(13,744)**
Other actuarial gains /(losses)	2,071	502	82	**2,655**	30,692	7,247	11,563	**49,502**
Pension asset movement	(10,366)	(1,704)	-	**(12,070)**	(22,619)	(837)	-	**(23,456)**
	(6,330)	**(904)**	**(1,917)**	**(9,121)**	**9,473**	**4,091**	**(1,262)**	**12,302**

Mortality Assumptions

The mortality assumptions adopted at 31st March 2024 imply the following life expectancies. The assumed life expectations on retirement at age 65 are :

Group and Society	2024			2023		
	GMPF No. of Years	CPF No. of Years	SHPS No. of Years	GMPF No. of Years	CPF No. of Years	SHPS No. of Years
Retiring today :						
Males	20.2	20.2	20.5	20.3	20.4	21
Females	22	24.0	23	22.2	24.2	23.4
Retiring in 20 Years :						
Males	21.8	20.6	21.8	21.9	20.8	22.2
Females	25	25.5	24.4	25.2	25.8	24.9

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

Group and Society	2024			2023		
	GMPF %	CPF %	SHPS %	GMPF %	CPF %	SHPS %
Equities	68	50	31	70	48	19
Bonds	15	36	53	14	36	62
Properties	8	12	15	8	13	19
Cash	9	2	2	8	3	1

Financial Assumptions

	2024			2023		
	GMPF %	CPF %	SHPS %	GMPF %	CPF %	SHPS %
Discount Rate	4.9	4.9	4.9	4.8	2.95	4.9
Inflation (RPI)	N/A	N/A	3.2	N/A	N/A	3.2
Inflation (CPI)	2.8	2.8	2.8	2.9	2.95	2.8
Salary Growth	3.6	3.6	3.8	3.8	4.75	3.8
Allowance for Commutation of Pension for Cash Retirement	N/A	N/A	75% of Max Allowance	N/A	N/A	75% of Max Allowance

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

ForHousing is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department / scheme trustees and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

23. Non-Equity Share Capital

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

Group and Society	2024 £	2023 £
Shares of £1 each		
Issues 1st April 2023	76	76
Shares issued during the year	-	-
Shares cancelled during the year	(67)	-
Shares issued and fully paid at 31st March	**9**	**76**

These values are shown in £ not £'000

24. Capital Commitments

Society	2024 £'000	2023 £'000
In contract but not included in financial statements	13,072	14,478
Approved but not contracted	57,187	64,661
Total Capital Commitments	**70,259**	**79,139**

Capital commitments that are not contracted as at the 31st March consists of 209 proposed new developments.

25. Leasing Commitments

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

Society	2024 £'000	2023 £'000
Within One Year	274	624
One to Five years	479	460
Over Five Years	29	3
Total Leasing Commitments	**782**	**1,087**

26. Contingent Liabilities

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

Society	2024 £'000	2023 £'000
Great Places Acquisition	1,041	1,056
Development Grants (Less Amortisation)	43,587	41,585
Total Contingent Liabilities	**44,628**	**42,641**

27. Related Parties Transactions

Transactions with other entities

The Group accounts are prepared on a consolidated basis, all inter-company transactions are eliminated on consolidation.

The following transactions and balance have been included to comply with the accounting direction for social housing, which requires transactions between registered providers and other entities in the Group to be disclosed.

	Expenditure £'000	Interest £'000	Debtors £'000	Sales £'000
ForViva	-	-	3,538	-
ForLiving	(411)	-	-	134
ForHousing Devco	-	-	-	13,768
ForCapital	-	(8,545)	-	-
Total	**(411)**	**(8,545)**	**3,538**	**13,634**

During the year two tenants of the Society, Donna O'Neil and Bill Weightman, served as members of the Board. Their tenancy is on normal social housing terms, and they are unable to use their position on the Board to their advantage.

28. Net Cash Generated from Operating Activities

Group	2024 £'000	2023 £'000
Cash Flow from Operating activities		
Surplus for the Year	(7,852)	28,850
Adjustments for Non-Cash Items:		
Depreciation of Housing Properties	16,579	15,833
Depreciation of Other Fixed Assets	476	236
Amortisation of Grants	(4,121)	(4,016)
(Increase) in Trade and Other Debtors	(11,413)	(9,512)
Increase in Trade and Other Creditors	5,885	(1,941)
Impairment of Investment	16,430	-
Investment Property Revaluation	(205)	(15,989)
Pension Costs Less Contributions Payable	(2,383)	129
Tax	-	3
Adjustments for Investing or Financing Activities:		
Net Gain on Sale of Fixed Assets	(2,400)	(6,498)
Interest Payable	10,005	10,106
Interest Receivable	(1,710)	(254)
Net Cash Generated from Operating Activities	**19,291**	**16,947**

29. Ultimate Parent Company

ForViva Limited is the ultimate controlling party and parent company of the group. Following the disposal of LGIL and in line with the group simplification strategy, proceedings have begun following the year end to disband ForViva Limited ready for removal from the Companies House Register within 12months.

30. Post Balance Sheet Event

ForHousing will have disposed of its investment in Liberty Group Investments Limited (LGIL) to a third party by the 30th September. The sale, for 100% of the share capital of LGIL, was completed on a cash free, debt free basis.