



2022
123
Annual Report
& Accounts



Because Community Matters

Places for People
Annual Report and Accounts

**Managing
Communities**

OUR PURPOSE

**Developing
Communities**

**Helping
Communities**

**We're
changing
lives by
creating,
managing and
supporting
thriving
Communities.**

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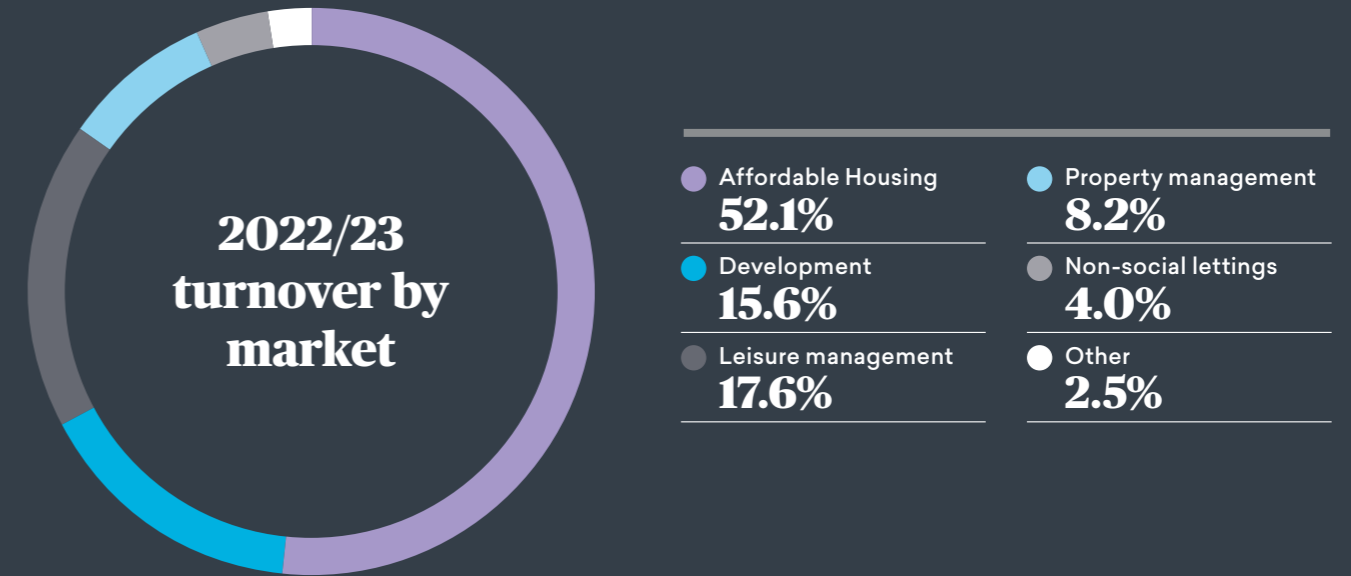
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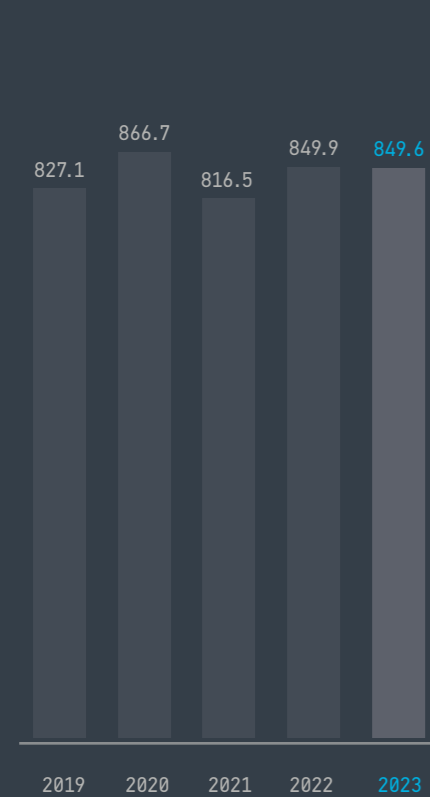
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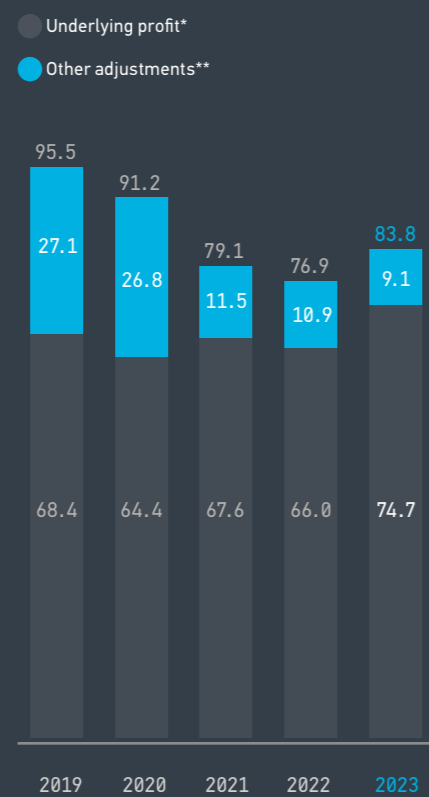
Turnover	£849.6m	2022: £849.9m
Reserves	£877.8m	2022: £790.3m
Operating profit	£163.7m	2022: £209.5m
Fixed assets	£5,363m	2022: £5,092m
Total social value	£272m	2022: £234m



Turnover
Figures shown in £m



Profit before tax
Figures shown in £m



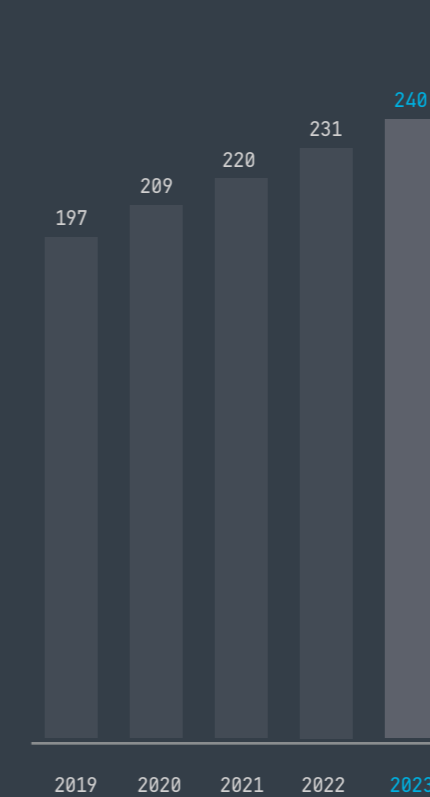
Fixed assets
Figures shown in £m



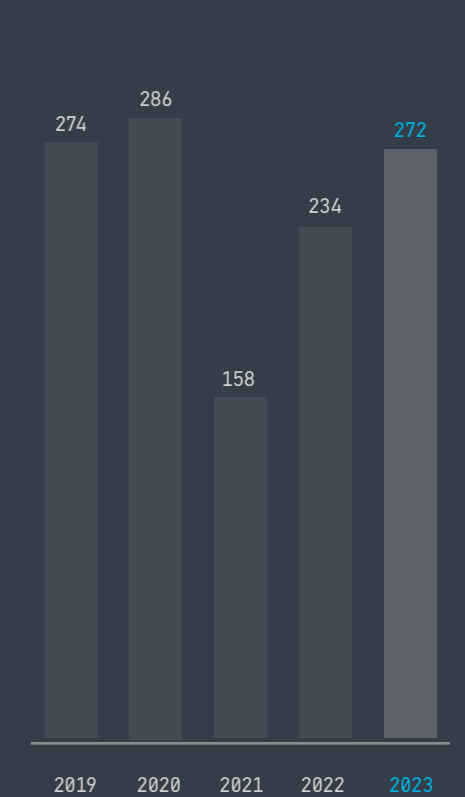
Reserves
Figures shown in £m



Homes owned or managed
Figures shown in 1,000s properties



Total social value
Figures shown in £m



* Underlying profit reflects Profit before Tax adjusted for profit on fixed assets and revaluation of investment properties.

** Other adjustments represent profit on sale of fixed assets, loss or gain on revaluation of investment properties and adjustments for negative goodwill.

A message from our Chair

Richard J Gregory OBE



This has been a year when Places for People, together with all social housing providers, has faced into the challenge of protecting and supporting our Customers more than ever before. The tragic death of Awaab Ishak in Rochdale focussed national attention on the danger of damp and mould and this level of concern and scrutiny should never be lost.

I am pleased to see a continuing trend of talented individuals joining the Group attracted by our purpose and potential.

This also highlighted the sector's challenge of keeping up to date information on the condition of Customers' homes and properly understanding who lives behind each door. And it builds on the difficult legacies of historic under-investment and struggling repairs and maintenance operations. For these reasons I welcome the move to bring consumer regulation into the orbit of the Regulator of Social Housing (RSH).

We responded by prioritising investment into our repairs and maintenance teams, helping Customers, more than ever before, to get through the cost-of-living crisis, and supporting less well-paid Colleagues with important strategic remuneration and financial aid initiatives. We exceeded our budgets in these areas with justification and could only do so thanks to the financial resilience of the Group.

Going forward we are focussed on improving efficiency and effectiveness, creating a high-performance culture throughout, supported by investment in our People and our technology. The leadership of our Group CEO Greg Reed, who had just joined the Group a year ago, has been inspirational. He is leading a transformation in our culture and values, the way we work and support each other and all our Customers. I am pleased to see a continuing trend of talented individuals joining the Group attracted by our purpose and potential, including our new Chief Information Officer Matt Cross, and to see our leaders develop their careers, like the appointment of Scott Black as Group Chief Operating Officer.

There has been a lot of success to celebrate through the year. This includes the consistent market leading performance of RMG under Hugh McGeever and the excellent start Cath Webster has made in scaling up PfP Capital, including the strategically important acquisition of the pioneering B Corp and leading sustainability specialist igloo Regeneration.

Also, our Developments team continues to impress. During the year, I visited with pride and a degree of awe our Colleagues in the new Communities of Tornagrain near Inverness, Chapelton near Aberdeen, and Poundbury in Dorset. And that fills me with hope and confidence in our major new development pending in Gilston, Hertfordshire.

Overall, our outturn turnover and PBT is broadly consistent with prior year despite the many different challenges of the year — high inflation, supply chain issues, increased energy costs, high interest rates and a challenging housing market. Our open governance values have helped bring all issues quickly onto the table, and I am grateful to all our executives and non-executives for the quality and professionalism of our scrutiny at board, board committee, and executive levels.

We are also increasingly engaged in collaboration initiatives across the social housing sector, which I believe will produce positive results in the future for all involved.

Finally, our National Customer Group (NCG) will this year be supported by the creation of four Regional Customer Groups in order to deepen our Customer feedback and understanding through all our Communities. I am grateful to the NCG Chair Janet Boston and all her Colleagues for their time and commitment to the Group and I am as ever determined to enable our Customers through the NCG to hold our board to account.

A handwritten signature in black ink, appearing to read 'Richard J Gregory'.

Richard J Gregory OBE
Chair of Places for People

Chief Executive's Statement

Greg Reed



Because Community Matters. This is the name of the strategy we launched to all our People in November last year, and these are the words that enshrine Places for People's purpose: we exist because of our Customers, and by managing, helping, and supporting the Communities in which they live and work – enabling those Communities, and our Customers, to thrive – we can, and will, change their lives for the better.

We're investing more than we've ever done in our Customers' homes, although we recognise there is still a huge hill to climb.

I'm only mid-way through my second year at Places for People but this has been the year when the size of task we face and the significance of the opportunity if we get things right, was thrown into sharp relief. So where are we on our journey?

When I joined, we were a collection of successful but disparate organisations, and now we have taken huge strides to become one business. Doing this has included, where we've needed to, making decisions to release entities that were strong businesses but were not core to our strategy and purpose, and bring new organisations, like igloo, into the fold. All our Group operating entities are now aligned behind Because Community Matters; we share a common mission, and we are driving towards the same outcome.

We have acknowledged and are addressing the huge challenge of dealing with the legacy issues of underinvestment that are endemic across the Affordable Housing sector.

We're investing more than we've ever done in our Customers' homes, although we recognise there is still a huge hill to climb.

We're getting deeper into our Communities again, 'finding our silence', getting back to 'boots on the ground', being there for our Customers.

We've substantially increased the wrap-around support — in the challenging year that was — through fuel, furniture, and food vouchers, through in-kind support, through rent relief, and through things like programmes that help Customers into employment and training and, with the great work of our Leisure division, provide health and wellbeing support. Our Cost-of-Living task force, formed early in 2022, has led much of our work and we're pleased that we've been able to be there for our Customers.

We've continued to build homes for now and invest significantly in regeneration for future years, even as others in our sector have paused, because we know that our society needs more Affordable Housing.

And the partnerships that I said last year were vital for us and for our sector are starting to happen. Community, to us, is also building a true partnership of all the experiences and the talents who are part of our broad sector because working on our own, we can only achieve so much.

Most importantly for me though, we have addressed the long-overdue investment that was needed in our People. It's been a tough year for them too — the cost-of-living crisis has had a big impact — and so I'm proud that, amongst many other things, we've introduced the Real Living Wage, given the highest pay increases to the lowest paid People (and no increase to senior leaders) and established a hardship fund that has supported thousands of my teammates with their everyday lives.

As last year, I'm indebted to my Chair, Richard, and our board for believing in us, for guiding us, for empowering us, and for powering-up our mission. We are lucky to have a board that believes so passionately that what we do can be a force for good, not just for our Customers and our Communities, but also for society.

We know we have a long, long way to go. Our goal is to be the UK's leading social enterprise and we won't stop until we are. Onward.

Greg Reed
Chief Executive

London Borough of Havering
Kingsford Row E20



STRATEGIC REPORT

www.placesforpeople.co.uk

WE CREATE AND SUPPORT THRIVING COMMUNITIES



1 Managing Communities

Looking after the quality and safety of homes and places – whether ours or our Partners’.

2 Developing Communities

Building and acquiring homes and places in the right location

3 Helping Communities

Supporting education, health, wellbeing, employment and inclusion

The Strategic Report was approved by the board of directors and signed by order of the board by,

Kate Alsop
Group Company Secretary
25 September 2023

We aim to continuously improve our Customers’ experience while maintaining our People Promises.

These are our People Promises – it's what we stand for and how we roll. When People are in our Community, this is what they sign up to.



DO THE RIGHT THING. ALWAYS.
We always aim to do the right thing for our Customers, for our Communities, for each other.

What is the right thing? Never walking by. Owning it. Picking up the litter. Doing that bit extra. Helping. Giving. Being transparent. Making choices for the right reasons. Never letting anyone down. Running through the line.

We know what the right thing is because it's in our DNA. It's who we are.



FIRED UP, READY TO GROW.
We have a drive to improve and make things easier. We do something new, and something better, every day.

We have a thirst to learn. We're curious.

We take care of our precious resources so we can reinvest them wisely. We're bold, we're adaptable. We're passionate about thriving Communities.



ONE COMMUNITY.
Our differences make us who we are, our shared mission makes us different.

In our inclusive Community everyone is welcome, everyone is important, everyone is supported, and everyone can thrive.



BE RESPECTFUL, EARN RESPECT.
We keep our promises. We're not scared to admit we're wrong. We're open, honest, humble. We'll always listen, we're always accessible.

We are respectful, and we respectfully challenge and question. We trust each other and in turn are trusted.

We recognise, appreciate, and celebrate each other. We say thank you, a lot.



ENJOY WORK.
Work can be hard, but we have a very special role to play — to be a force for good for our Customers, for our Communities, and for our society.

That's why we enjoy what we do.

It's a rare opportunity we've been given, we never take it for granted.

We are Places for People and our goal is to be the UK's leading Social Enterprise. We change lives by creating, managing and supporting thriving Communities.

Our business consists of complementary companies that are market leaders in placemaking, regeneration and development, investment management, property management and leisure. Working together, we have the expertise and reach to create and manage entire Communities — and at every stage of our Customers' lives — providing homes, services support and infrastructure that enable our Customers and their Communities to thrive.

We own or manage more than 240,000 properties that are the homes to around 500,000 Customers right across the UK.

We operate 98 leisure facilities that support the health and wellbeing of our Customers with an average of 1.9m visits a month.

Using the power of partnership and working collaboratively, over 10,500 Colleagues in more than 20 specialist companies create Communities and provide People with opportunities and choice in a way that few organisations can match.

Affordable and supported housing, and market rent



Fund management



Developments and Regeneration

The markets we operate in



Leisure management



Property and place management

1 Managing Communities

Despite a challenging operating environment, we have continued to invest significantly in our Customers' homes, in the service and support of our Communities, and our focus on making it easier for our Customers to engage with us.

INVESTING IN OUR COMMUNITIES AND OUR CUSTOMERS' HOMES

We believe that Community only works when it works for everyone, that's why we offer a range of Affordable Housing solutions and market leading property management services as well as specialist living support for homeless People, refugees and People with additional or complex needs. Through our companies we own or manage 240,000 properties for Customers at every life stage from students to first time-buyers, young renters to families and right through to retirees.

INVESTMENT IN SUPPORTING OUR CUSTOMERS

We restructured our Communities team around four UK regions to give us better focus on supporting our Customers. Under the leadership of four regional directors, led by a new MD for Communities, we have reduced the number of homes that each of our Place Managers is responsible for and removed administrative tasks to enable them to give more time to their Customers. We have also brought back neighbourhood 'caretakers' who work in partnership with Place Managers to undertake immediate and ongoing maintenance and repairs.

To further enhance our services for Customers, a £4 million fund has been allocated to our Places Managers, enabling them to proactively improve their Communities. The money can be used to implement measures, tools and equipment that address local needs ranging from support to help reduce anti-social behaviour through to enhancing outdoor space.

INVESTING IN OUR EXISTING HOMES

A total of £151m was spent on capital improvements and reactive and responsive maintenance. This has provided our Customers with enhanced fire safety measures and new kitchens, bathrooms, windows, boilers and doors as well as delivering over 200,000 repairs by the end of the year. Of these repairs, 31% were emergency, and 96.6% of these urgent repairs were completed within our target time.

Against a backdrop of operational challenges, including rising inflation, higher material costs and labour shortages, and driven by challenges like damp and mould, demand for our repairs service has increased significantly.

To enable us to respond more effectively to this demand, we launched a recruitment drive for tradespeople along with a dedicated team of surveyors to help us diagnose damp and mould cases. We also began to trial video technology with our Customers, allowing us to view and assess potential repairs more quickly.



Through our property management companies we have continued to grow the reach and work of our property management companies — RMG, Touchstone and Derwent FM — through new contracts on over 100 developments and, in Derwent's case, student accommodation in partner universities. Across the three businesses, we now have 159,000 properties under management. At RMG we have introduced a new online chat facility for residents that has enabled up to 30% of the online Customer enquiries to be self-served, allowing our People to focus on more complex enquiries.

Also at RMG, we have worked closely with Customers, clients and the Department of Levelling Up to complete six large cladding remediation projects, to meet the Building Safety Act (2022) and the Fire Safety (England) Regulations (2022). We have protected the homeowners from substantial costs after securing around £25m funding from the Government's Building Safety Fund.



↗
Thriving Community at Hulmes Mill, Leyland.

ENHANCING QUALITY AND COMFORT

We completed our five-year stock condition survey cycle for all affordable rented homes in December 2022 and commenced a new cycle in January 2023. All data from the ongoing survey is used to inform our the breadth and timing of our strategic repairs and improvement programme.

We achieved a 90% access rate thanks to a three-stage Customer contact process which involved cold calling in Communities with high stock levels and SMS messaging. We also extended our working hours to ensure we were able to contact Customers who were at work.

To further increase our understanding of any issues which could affect the quality of our Customers' homes, we have begun to roll out 'Home MOTs'. Operatives responsible for annual home visits are carrying out wider quality checks. Any concerns are reported via an App on their handheld device.

We have also purchased an additional 900 IoT (Internet of Things) devices to monitor the condition of our Customers' homes, specifically energy performance and potential risks such as increased moisture levels or extended hot or cold periods.

MAINTAINING COMPLIANCE

By the end of March 2023, 99.41% of our homes had an accredited gas safety check with just a small number of properties recorded as 'no access.' We no longer restrict gas supplies to external meters if we are unable to obtain access. This decision means we have seen a small increase in the number of homes requiring legal intervention as part of the access process.

If a Customer requests their supply is restricted because of financial concerns, support is provided by our Money Advice team. We also ensure the Customer is provided with an alternative fixed form of heating and hot water.

Electrical compliance at year end was 95.88%. In September 2022, we put a recovery programme in place to improve electrical testing which will continue in the next financial year. This was required due to a decline in access rates exacerbated by resource challenges internally and via our external contractor.



↖
Compliance checks in the plant room for hybrid heat (gas and air source heat pump) in Newtongrange, Midlothian.

RAISING FIRE SAFETY STANDARDS

Ensuring the highest standards of fire safety for our Customers remains our priority. This has seen us proactively respond to changes in legislation and improve fire safety measures.

We have developed a cladding remediation and sprinkler installation programme for the 46 high rise buildings in our portfolio, which are six storeys or higher. Following intrusive wall surveys, 19 buildings were identified for remedial works. By the end of 2022/23, we had completed cladding remediation for 10 of these buildings. Of the remaining nine buildings, four are due for remediation later in the year and five, based in Scotland, are currently in the design phases and due for completion in 2025.

A total of 23 sprinkler systems have been installed on our high-rise buildings during the year. Following a change to the British Standard for sprinkler design, larger tank sizes are now required which are not suitable for some of our buildings, including those with smaller and/or traditional pitched roofs.

A total of 23 sprinkler systems have been installed in our high rise buildings.

We have reviewed the suitability of sprinklers on 18 buildings proposed for installations in 2022/23. An alternative mitigation measure, such as an Emergency Evacuation Alert System, has been deemed more suitable, especially in buildings with low external flame risk. The remaining five buildings are covered by alternative systems or are in the process of disposal/demolition.

New wayfinding signage has been installed in all our high rise buildings during the year.

We have 2,500 three, four and five-storey buildings. Following the introduction of the PAS 9880: 2022 code of practice, published by the British Standards Institute in January 2022, 55 of these mid-rise properties were identified as potentially high risk. External wall assessments were completed for all these properties and are currently under review. A PAS9980 assessment will be programmed, over a period of 5 years, for all of the mid-rise buildings identified as low risk due to building type. Whilst the assessment date is being scheduled these buildings will be subject to the traditional Fire Risk Assessment to ensure life safety is continuously monitored.

We are developing a residents engagement strategy outlining how our Customers can communicate any building, fire and structural safety issues. This will be supported by a new engagement portal for Customers living in buildings five storeys or higher. Due to be implemented by October 2023, the portal will enable Customers to automatically receive safety information and raise any concerns directly to the fire safety team.



As part of our decarbonisation strategy, solar panels have been installed on 700 of our homes.



Supporting our Customers with home water audits, water saving devices and advice that could save up to 54 litres of water a day and up to £119 per year on water and energy bills.

Customers benefit from advice which saves them money and also saves water and energy.



Customer engagement is central to designing services.

MAKING AN IMPACT IN PARTNERSHIP WITH OUR CUSTOMERS

Our National Customer Group (NCG) has continued to influence and improve critical services, policies and processes affecting their Communities. Every quarter, the NCG meets with members of the Places for People Group board to discuss issues directly impacting Customers' lives. This engagement is enabling Customers to be proactively involved in shaping their Communities and delivering positive outcomes.

To further increase lines of communication, a new framework has been developed enabling more Customers to share their insights and feedback. This includes regional Customer groups headed by regional chairs as well as local Customer groups.

IMPROVING ENERGY PERFORMANCE

After securing a £3 million grant through Wave 1 of the Social Housing Decarbonisation Fund (SHDF), we began to upgrade 223 homes in January 2023. Located in Hounslow and Bedford, the homes will benefit from new windows and external wall insulation, increasing their Energy Performance Certificate (EPC) rating to at least level C.

3 million grant secured through Wave 1 of the Social Housing Decarbonisation Fund (SHDF).

SAVING WATER

We are partnering with specialist energy and water efficiency company, Cenergist, to provide Customers with free home water audits, water saving devices, and advice. Approximately 5,900 Customers have been contacted to sign up to the project, which could see them save up to 54 litres of water a day and up to £119 per year on water and energy bills.



Retrofit investment at Barnstaple Court, Bristol

STRIVING FOR AN EFFORTLESS EXPERIENCE

Our commitment to continuously improve the service we provide to our Customers has seen us embrace a new Customer experience philosophy and practice, Effortless. Our goal is to make it easy for our Customers to engage with us and get what they need. We will measure ourselves on an effortless 'scale' right across the organisation.

A pilot was launched in the first quarter of 2023/24 triggering surveys for Customers who had interacted with us across eight communication touchpoints. Scores and feedback are being collated into a database to build a clearer picture of our Customers' experience and how we can improve.

Over the next financial year, this research will be expanded across more touchpoints as part of our long-term aim to ensure our Customers' experience is effortless across their entire Places for People journey.

Colleagues at our Customer Service Centre are key to delivering effortless Customer services.



2 Developing Communities

Throughout 2022/23, we have continued to build affordable homes, bolster our development pipeline across all tenures, and create inclusive Communities tailored to Customer's needs.

INVESTING IN DEVELOPMENT

At a time when others have stopped or slowed down development of new homes due to the challenging economic backdrop, we have continued to invest and deliver as we see it as key to our strategy and core purpose of building and supporting thriving Communities. In line with this strategy, we completed the sale of Milwood Designer Homes to Elivia Homes during this year, to allow us to focus on the delivery of new Affordable Housing.

DELIVERING MORE AFFORDABLE HOMES

We continue to deliver more affordable homes through our two Strategic Partnerships with Homes England. Under the 2018-23 Strategic Partnership we will be delivering 2,603 new homes, using £74million of grant. This year we reached the significant milestone of having started on site with all 2,603 homes by the March 2023 deadline. We have already completed 1,388 of these homes and are on track to complete all 2,603 by March 2025.

Our 2021-26 Strategic Partnership will see us deliver 4,403 new homes with £281million of grant by March 2029. By March 2023 we had started on site with 397 homes. We already have a further 3,000 homes in our development pipeline and expect to start on site with 1,273 homes and to achieve our first completions in 2023/24.

Together, these Strategic Partnerships will see us deliver over 7,000 much needed new affordable homes for sale. Our expertise in regeneration and placemaking, supported by Homes England, has enabled us to deliver homes in a range of large and small projects, building the right homes in the right places, and creating Communities that support education, health, wellbeing, employment, and inclusion.



We have secured planning permission for several key developments across the UK, helping to strengthen Communities with a variety of new homes and facilities.



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1

Newham Farm TRURO

Following the sale of this site to Vistry Partnerships, we bought back 50% of the homes for Affordable Housing. In March 2022, we were awarded planning permission to build 121 homes, which will include 59 for affordable rent and 62 for shared ownership.



2

Dove Lane BRISTOL

This new sustainable Community is bringing much-needed affordable homes to the heart of Bristol in St Paul's. We will be partnering with Bristol City Council to develop 358 city-centre homes together with spaces for business and Community, a new public square, new walking and cycling routes, and planting to increase biodiversity.



3

East Wick + Sweetwater EAST LONDON

Approval has been given for us to expand this thriving Community on London's Queen Elizabeth Olympic Park with 1,859 new homes. Our award-winning joint venture with Balfour Beatty Investments is delivering sustainable new homes, schools, business and Community spaces on behalf of the London Legacy Development Corporation.



4

Carvers Lane NORFOLK

Attleborough is the location for this development of much-needed, energy-efficient homes. Offering a mix of house types along with a variety of ways to buy, this popular scheme now has approval for a second phase of homes.



5

Tornagrain INVERNESS

The Highlands' newest town, Tornagrain, is an award-winning sustainable Community developed in partnership with legacy landowner the Earl of Moray. Our future vision to create 5,000 homes together with jobs, local amenities and open green spaces edged a step closer when planning was granted for the next phase of 192 modern country homes.

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STRENGTHENING OUR PIPELINE

By identifying land opportunities and forging new partnerships, we have continued to bolster our development pipeline in 2022/23. This will see us begin to construct more than 1,000 mixed-tenure homes within the next 12 months.

Future developments include:

- **Goldsmith's Green in Kettering comprising 340 two to four-bedroom houses and apartments.**
- **Thatchwell Park in Gillingham featuring 280 two to five-bedroom houses and apartments.**
- **Manston Green in Ramsgate which will provide 220 affordable houses and apartments purchased from Redrow Homes**
- **Shottendane Road in Margate, which is set to offer 450 homes on Kent's north coast.**



↗ Green space creates a healthy and thriving Community at Alaska Street, Blackburn.

CREATING NEW PLACES

In March 2023, our plans for six new villages were given the green light by East Herts District Council when we secured a resolution to grant planning permission for our proposals for Gilston Park Estate, part of the wider Harlow and Gilston Garden Town.

The new villages will comprise 8,500 new homes, almost 2,000 of which will be affordable, with all housing designed to suit the needs of the wider Community.

Set in more than 1,000 hectares, this sustainable and connected Community will also provide a wide range of new infrastructure and amenities. Plans include two secondary schools, up to six primary schools, healthcare facilities, a leisure centre, sport facilities and a Community centre as well as commercial, retail and leisure space.

Encouraging healthy and active lifestyles, Gilston Park Estate will also offer two country parks and Community gardens and be designed to promote biodiversity.



↗ Colleagues inspecting a site at Bordon, Hampshire.



↖ New homes under construction.

To ensure more quality control, we have acquired a total of 25 sites where we will be directly responsible for construction. We have also formed a strategic land team to secure a longer-term pipeline of sites. Within the next five years, our aim is to deliver 25% of our homes on land acquired by this team.

To support this strategy, we have rolled out our new standard house type range. The design has been informed by a survey involving 10,000 Customers which explored what our potential and existing Customers want from their next home.

Subject to planning approval, circa 75% of our new homes are due to be constructed using our standard house type design, providing our Customers with more space, storage, lighting and flexibility to meet their needs.



↖ Care and Support at Nightingale Lodge, Romsey, Hampshire.

BRINGING EXTRA CARE TO THE COMMUNITY

In June 2022, we formed a partnership with Lovells Later Living, part of the Morgan Sindall Group, to create additional extra care Communities, providing our Customers with safe, supportive and affordable homes in their later years. In Hampshire, we progressed two extra care developments in 2022/23, both scheduled to handover in the next financial year.

Spinnaker View in Gosport will offer 60 new homes for affordable rent to people aged 55 and over with care and support needs. A further 50 extra care homes will be provided at Wooldridge, extending our affordable living portfolio into New Milton. One and two bedroom affordable-rent apartments will be available as well as 24-hour on-site care and a variety of health and wellbeing facilities.



Trent Basin in Nottingham, by igloo.

RESPONSIBLE INVESTMENT AND REGENERATION

We have continued to grow our fund management business, PFP Capital, enabling us to leverage third-party investment to build more affordable homes.

In October 2022, Catherine Webster was appointed as PFP Capital's new chief executive officer, bringing 30 years of real estate investment and finance experience to the business. Catherine began her new role in January 2023 and is helping to roll out a significant growth plan for PFP Capital, which has £600 million under management across its three existing funds.

In January 2023, PFP Capital acquired Igloo Regeneration, the UK's first real estate B-Corp accredited organisation, and an award-winning development manager.

The acquisition builds on an existing partnership which has seen PFP Capital and igloo Regeneration work together since 2018.

With more in-house resources and expertise, the combined business will service a growing demand for sustainable development and investment.

PfP igloo, the joint venture partnership between PFP Capital and igloo, will continue to focus on a development portfolio of more than 500 existing homes, and has plans to deliver 500 more homes for sale and rent, as well as over 300,000 sq ft of commercial space.

DEVELOPING A GREAT PLACE TO WORK

Our commitment to developing and managing sustainable Communities doesn't stop with our Customers — it extends to our 11,000 person workforce too. Ensuring our People can thrive in their roles is of paramount importance.

At the end of 2022, we ran our Big Colleague Survey (BCS) achieving a 90.3% completion rate and a blended engagement rate of 69%. This research enabled us to gain both quantitative and qualitative feedback which has been used to develop a BSC action plan. Launched in March 2023, the plan is focused on ensuring fair pay and benefits, improving recognition for our People, and developing leadership and management.

The survey will be carried out again in October 2023 with a target engagement rate of 75%.

In July 2022, we were named one of the UK's Best Workplaces for Women by Great Place to Work based on direct feedback from thousands of our People through a confidential survey. In March 2023, and for the second year running, Great Place to Work also named Places for People as one of the UK's Best Workplaces for Wellbeing.

Our Big Colleague Survey (BCS) achieving a 90.3% completion rate and a blended engagement rate of 69%.



One of our Place Managers visiting Customers in Wincobank, Sheffield.

CREATING AN INCLUSIVE COMMUNITY

To develop a more diverse and inclusive working environment, we have set up a new Inclusion and Belonging network. Run by a newly appointed diversity and inclusion manager, this network is made up of 100 volunteers from across Places for People who are helping to improve our approach to inclusivity. Following their feedback, six subgroups were created at the end of 2022 each focused on different areas of inclusion, including LGBTQ+, disabilities, culture, mental health, gender, and parents and carers.

Each group has attracted between 20 and 50 Colleagues. As well as generating ideas for positive change, the network is helping to raise awareness and understanding of inclusion across Places for People.



One of our Colleague volunteers sharing the work of the Inclusion and Belonging network at a recent Managers' event.

3 Helping Communities

Right across our organisation and our work, we deliver deep and broad social value through our core mission to create thriving Communities. We also do this through the work of our Places Impact team and the Places Foundation Group charity. The Places Impact team works with all our businesses to help multiply, maximise, and measure social value for our Customers. This includes delivering social value through grants, volunteering opportunities and fundraising amongst many other things.

TACKLING THE COST-OF-LIVING CRISIS

In April 2022, we launched a Cost-of-Living Taskforce to support our Customers and Communities through the economic crisis. This included a £750,000 Cost-of-Living Fund, offering rent relief and vouchers to support Customers with essentials such as food and fuel. We have also supported a network of 114 local charities in Communities which offer essentials for Customers, including food and baby banks.

A new £1.5 million Cost-of-Living Fund is being developed for the next financial year to support Customers with rent and service charge relief as well as food and fuel vouchers.

To help our Colleagues through the cost-of-living crisis, several steps have been taken throughout 2022/23.

In August 2022, we launched our Colleague Hardship Fund enabling those facing a financial challenge to apply for a grant of up to £500. Requests, which range from support in clearing debt through to help purchasing an essential household item, are reviewed by an internal panel. By the end of the financial year, almost £1million had been spent on supporting over 1,900 Colleagues from across our organisation.

From 1 October 2022, we ensured all of our People were receiving the real Living Wage and reset our tradespeople's pay, further increasing their wages. In January 2023, we gave our People an additional £250 cost-of-living payment to support them through the winter and higher energy bills.

"The real Living Wage is an hourly rate of pay set independently and updated annually (not the UK government's National Living Wage). It is calculated according to the basic cost of living in the UK, and employers choose to pay the Living Wage on a voluntary basis."





Place Manager out in our Communities providing advice and support.

Customer at Tenterfield View, Salford.



In Hounslow, we re-opened a Community centre to deliver local activities and are scoping further opportunities for Community buildings in Lancashire, Leeds and Bristol.

Hays Community Hub.

EXTENDING OUR HELP

To mitigate the wider impact of the cost-of-living crisis, several initiatives have been implemented in the past year, bolstering our support for Customers.

These include the launch of the National Wellbeing project, comprising a dedicated team on hand to signpost Customers to local services and offer wellbeing support. Customers can speak to a team member at any time over the phone to receive help and advice on areas such as finding employment, gaining digital skills, financial inclusion, and sourcing furniture. The project is due to be expanded in the next financial year with plans to develop extra activities to improve our Customers' health and wellbeing through direct resources and third-party funding.

Working in partnership with National Energy Action, a charity working to end fuel poverty in England, Wales and Northern Ireland, we have also deployed energy advisors to help Customers reduce energy debt.

To support Customers who may be struggling to pay their fuel bills or experiencing social isolation, we helped provide warm spaces throughout the winter.

In a collaboration with Clarion Housing, 45 Places Leisure centres were used as warm spaces and five of these sites offered collection points for food banks.

In April 2022, we launched a project to help new and existing Customers tackle furniture poverty. This has seen us provide essential items such as beds, whites goods and carpets to more than 330 Customers.

BUILDING RESILIENT COMMUNITIES

To help tackle issues while delivering sustainable and resilient Communities, a wide range of projects have been rolled out in 2022/23.

These include the appointment of 'Community Connectors' who are working in the heart of local Communities to identify our Customers' priorities, build partnerships with local organisations and develop social value activities. A total of six Community Connectors are now in post, supporting Communities in Bristol, Leeds, Edinburgh, Preston, Hounslow and Huntingdon.

This initiative is supported by the launch of small grants specifically for Customer and Community-led activities.

Following the success of the Hays Community Hub, we have identified additional assets which can be repurposed to deliver social value. In Sheffield, we secured matched funding from social enterprise, Volunteer it Yourself (VOY), to revitalise the formerly vacant Sunny Bank Community Hub in Sheffield, providing a modern, accessible, and safe space for local residents.

Our Community Investment Fund continues to make a difference, providing financial support for charities, projects and services that benefit our Customers. More than 10,600 Customers and 77 projects have benefited from this funding in the past year, including national support for hoarding, employment, wellbeing, sourcing furniture and white goods, and reducing rent arrears.

To help our Customers get online, our national digital inclusion project has supported a further 600 people. As well as providing training through 'tech buddy' volunteers, the project offers free digital devices and SIM cards to Customers, and is establishing digital access points in Community hubs.

Social value

£141 million

Social Value generated by our regulated business (Wellbeing valuation HACT model).

£131 million

Well-being and economic value from our Leisure business (Sheffield Hallam model).

10,539

Number of Customers helped who were homeless or at risk of being homeless.

3,796

Number of Customers supported into education, employment or training.

1,059

Number of Customers supported to get online or use the internet.

6,654

Number of people supported with financial inclusion including money advice and hardship funds.

23,539

Number of people supported through projects targeting health and wellbeing.

18,198

Number of people supported through projects targeting sustainable resilient Communities.

MAKING A DIFFERENCE IN PARTNERSHIP

Following £1m in funding from the Tampon Tax Fund, we kickstarted the 'Big Sister' project, which helps to improve confidence, wellbeing and activity levels amongst teenage girls.

Our group charity, The Places Foundation, in partnership with Places Leisure, Women in Sport, and Hey Girls are delivering the initiative in areas where we operate leisure centres and manage homes and Communities.

As part of the programme, girls between 9 and 15-years-old are being offered free gym memberships in South Yorkshire, Derbyshire and Norfolk. Unlimited use of the gym and swimming pool is provided along with group workout classes and free access to virtual classes and resources through the award-winning Places Locker app.

To inspire and enable all teenage girls to enjoy sport and exercise during puberty, a range of educational resources are offered through the programme as well as free sanitary products from Hey Girls.



Big Sister participants trying out yoga as part of the Hey Girls, Women in Sport Campaign.



A Community outreach project has helped 2,000 people access sport and improve their health and wellbeing.

We believe a healthy Community is a happy one — that's why we manage or own 98 leisure facilities including at Graves Health and Sports Centre in Sheffield.



By the end of the financial year, more than 22,500 girls had benefited from the project and funding has been secured enabling it to continue for another 15 months.

Swimming at Graves Leisure Centre, Sheffield.

ENCOURAGING HEALTHY COMMUNITIES

A Community outreach project has helped 2,000 people access sport and improve their health and wellbeing. Delivered by Places Leisure with funding from Places Impact, the initiative brought tailored activities and support directly into Communities in Sheffield and Rotherham. The project was so successful that it is being rolled out into Communities in Edinburgh, Preston and Birmingham.

Working alongside the 'Face Everything and Rise' (FEAR) charity, Places Leisure has helped to provide swimming lessons for children and adults who are artificially fed or receiving treatment via a central line.

The need to keep medical equipment safe and dry means many people who are artificially fed are unable to access a swimming pool. Putting the right sessions, instructors, and equipment in place, Places Leisure worked with FEAR to run a swimming event at Romsey Rapids. This was exclusively for artificially fed people and their families providing them with the opportunity to swim with confidence and privacy, in a fun environment.

Attracting more than 100 attendees, the event was a huge success with a further 18 sessions booked at Places Leisure sites in 2023.



In Preston, we re-purposed two empty terraced properties to create accommodation for young, homeless people.

Supported Living in Preston.

REDUCING THE IMPACT OF HOMELESSNESS

Building on a successful project in Cambridgeshire, which created temporary accommodation and support for people at risk of rough sleeping, we are growing our modular offer for homeless people. This has seen us identify a partner with expertise in delivering homeless pods and workforce programmes that engage homeless people and offenders.

At Salford Foyer, our directly managed service for young homeless people in the city, a bid has been submitted for us to develop modular pods with charity LandAid. Plans have also been submitted for eight modular units at Stonebridge Park, the centre of our complex needs service for homeless men in Bristol.

In Preston, we re-purposed two empty terraced properties to create accommodation for young, homeless people. This new directly managed homeless service was delivered in partnership with Preston City Council, addressing a growing demand for supported accommodation for people aged 16 to 25, including care leavers.

Our property management company, RMG, has continued to provide its long-established Homelessness and Management Prevention Service for Westminster City Council. Together with charity partners — Shelter and The Passage — RMG make it as easy as possible for Customers to access tailored, local services, preventing more complex issues from developing and providing services such as employment and family support.

SECTION 172 STATEMENT

In their discussions and decisions during the year ending 31 March 2023, the directors of Places for People Group have acted in good faith to promote the success of the company for the benefit of its members as a whole, and in doing so have had regard to the Group's stakeholders and the duties set out in section 172(1)(a)-(f) of the Companies Act 2006.

As a company limited by guarantee, the Group does not have shareholders in the traditional sense but does recognise the importance of the company engaging with its stakeholders at all

levels and seeking to understand their views to ensure board decisions are made with due regard to their impact.

The following stakeholder groups have been identified as critical to the delivery of and influence over the Group's recently launched strategy, Because Community Matters and ultimately the Group's success in creating, managing and supporting thriving Communities — their interest in and their link to the strategy is illustrated opposite.

The board expects the Group to operate fairly and properly, building strong relationships and maintaining a good reputation — this can't mean pleasing everyone equally all the time as choices/decisions between often competing priorities have to be made. The board is however committed to explaining its choices/decisions clearly to its stakeholders so they can understand the reasons for making them. It means that the board relies on established strong processes, that these are carefully followed, and that the Group listens to and is open with its stakeholders about what it does and why. We engage with all stakeholders to ensure their interests are represented as part of the Group's decision-making processes and that controls are in place to balance these interests.

2022/23 was a tough year for our Customers, Colleagues and Communities. A challenging macroeconomic environment following a crunch in energy supplies, rising interest rates and sputtering growth meant that more than ever, we needed to balance our long-term ambition with addressing the immediate challenges faced by our stakeholders. We had to ensure we struck the balance in where and how to invest to address those needs while ensuring the ability of the business to continue to deliver its long-term strategy. These challenges required tough decisions on the allocation and investment of our resources. Outlined on the following pages are examples of decisions taken in pursuit of our strategy Because Community Matters and the delivery of our priorities, with descriptions of how the board considered stakeholders and their feedback, alongside their duties under section 172 of the Companies Act 2006.



Our stakeholders	Other relevant disclosures elsewhere in the report
Customers (renters, house purchasers, leisure centre users) and our Communities	Tackling the cost-of-living crisis – page 48 Extending our help – page 38 Striving for an effortless experience – page 36 Building resilient Communities – page 39 Reducing the impact of homelessness – page 45
National & Regional Customer Groups	Making an impact through our Customers – page 27
Group RPs/RSLs (charitable/non-charitable)	Delivering more affordable homes – page 28 Enhancing quality & comfort – page 22
Corporate/business clients/suppliers	Making a difference in partnership – page 42
Colleagues	Our People Promises – page 18 Creating an Inclusive Community – page 35 Developing a great place to work – page 35
JV partners	Responsible investment and regeneration – page 34
Investors, lenders and rating agencies	Finance review – page 50-53 Strengthening our Pipeline – page 32
Regulators (including Regulator of Social Housing, Scottish Housing Regulator and the Financial Conduct Authority)	Risk management & assurance – pages 62-71 Maintaining compliance – page 22 Regulator Engagement – page 102
Government - National (Homes England) & Local Authorities	Developing Communities – pages 28-31 Leisure Communities – pages 42-43

KEY DECISIONS MADE 2022/23

INVESTING IN OUR PEOPLE

Engaged, developed and empowered people are critical to the delivery of the Group's strategy and to creating, managing and supporting thriving Communities. The board acknowledged the importance of the significant investment made in its People.

The decision was made to pay the real Living Wage and to implement other mechanisms to support our People during the year. This was done in the long-term interests of the business to retain and attract talent and resource and as it was the right thing to do to support our People.

Our board also agreed a differentiated pay award for 2023/24 which weighted a higher percentage towards our People who are lower paid. This followed our intention to support Colleagues given the unprecedented economic situation and resulting pressures from rising costs of living.

With the exception of the senior leadership team, a payment of £250 was made to all full-time Colleagues in January in order to support them through the winter and with higher energy bill costs and the Employee Hardship Fund was launched.

The overall total employment offer was enhanced. Colleagues had increased access to a range of benefits including services designed to support employees' wellbeing; a range of employee benefits available to staff via Our Place Rewards; a new cash-back plan for healthcare costs; increased employer pension contributions and life assurance cover, and a wider staff bonus scheme.

INVESTING IN OUR COMMUNITIES

Our Customers, just like our staff, faced challenges and hardships in the year. The Group sought to help its Customers in light of such challenging circumstances, both directly and by increasing spending on capital improvements and reactive and responsive maintenance and repairs. Whilst acknowledging the impact of such decisions on future investments in other business areas.

The size of the Customer hardship fund was increased by a further £1 million, and housing teams worked tirelessly to provide Customers in need with heating vouchers.

The board was committed to knowing and understanding our homes more than ever before, continuing to improve the quality of existing data and surveying our assets to guide our investment approach. The board prioritised the transformation of its repairs service, building a service that was 'effortless' for our Customers and Colleagues. We recruited additional trade operatives to increase the number of repairs completed.

Acknowledging the importance of the National Customer Group's role in scrutinising, influencing, and improving services across our Communities, the board agreed that NCG roles would be remunerated and a drive for wider recruitment would commence. Regional Customer Groups were established to formalise and evolve the current local Customer engagement network, who review and monitor the services delivered within their Communities. The NCG also revised and refreshed its terms of reference.

CREATING MORE COMMUNITIES

As a social housing provider, in addition to managing our existing homes for current Customers, we also invest to increase the supply of new quality homes for new Customers. We must make tough choices and our decisions between investing in existing homes and building new stock reflects this. The board therefore seeks different opportunities and approaches to creating new and vibrant Communities, often working in partnership with other developers and businesses to maximise the Group's reach and impact.

Our established fund management business PfP Capital took critical decisions in the year to increase its capacity to deliver affordable homes and to drive wider investment in the sector, including the acquisition of long-established partner igloo and the development of a new relationship with the Housing Growth Partnership.

DELIVERING GOOD SOCIAL OUTCOMES

We understand the needs of the Community and are uniquely placed to balance investment in social good and commercial outcomes to create a connection between People and Place which in turn generates pride, a shared sense of belonging and local identity.

An example of the board's decision in this area, as described on page 94, was the extension of the Remuneration & Nomination Committee's remit to include oversight of the development of the Group's ESG strategy.

This increased focus on ESG matters enables the board to build on previous achievements and progress in this area balancing the short term needs of the business, with the need to pursue longer term social outcomes.

We published our latest ESG report and also retained the Certified Sustainable Housing Label, maintaining the same rankings as last year, frontrunner status in the Social dimension and ambassador status in the Environmental and Governance dimensions. The label represents excellent performance in relation to sustainability and supports the Group in its discussions with investors and lenders, seeking finance which is linked to ESG performance.

2022/23 also saw the completion of a refinancing deal to create a single £900m sustainability-linked 'Club' facility for the Group's regulated companies. The facility is fully unsecured and features 7 of the Group's existing lenders and 1 new lender, strengthening Places for People's position as a Treasury market leader within the sector. The facility helped to showcase the Group's ESG credentials and commitment to its Customers and Communities. This was also recognised by the Association of Corporate Treasurers and the Group won in its category as the Deal of the Year Award for 'Loans Above £750m' and 'Overall Winner'.

CONSOLIDATION OF PURPOSE

The board took a number of key decisions in the year to consolidate and bolster the Group's ambition to be and be known as the UK's leading Social Enterprise, changing lives by creating, managing and supporting thriving Communities.

As part of the work to restructure the Group's housing associations, a decision was taken to further simplify the group structure to improve both efficiency and governance and to ultimately make the Customer experience, effortless. Cotman Housing Association, Derwent Housing Association, Derwent Community Housing Association and both Chorus Homes Limited and Chorus Homes Group Limited transferred their engagements to the Group's charitable Registered Provider, Places for People Living+.

Acknowledging the Group's focus on affordable and social housing, the board also took the decision to adjust its business and asset portfolio to align this with the Because Community Matters strategy. As a result, the Group sold the Millwood Designer Homes business and separately, acquired several Affordable Housing portfolios having regard to the long-term success of the Group and for the benefit of our existing and future Customers in our Communities.

Finance review &

Value for money

Andy Winstanley – Chief Financial Officer



We have delivered solid financial results despite the increasingly challenging economic environment that the Group and our Customers face. Against this backdrop we have continued to increase the quality of our service and homes for Customers, delivering new much needed affordable homes and ensuring all our People are receiving fair pay.

The Group's strong financial position was ratified by the reaffirmation of our credit ratings — A- (stable) with S&P Global and A (stable) with Fitch, with Moody's reducing our previous rating of A3 (stable) to A3 (negative) to reflect the negative outlook placed on the UK sovereign rating following the mini-budget. These ratings continue to reflect the strong investment proposition we offer to our funders who continue to support the delivery of our social purpose.

During the year, we retained our G1 rating from the Regulator of Social Housing, with our financial viability rating regraded to V2 along with most other large developing housing associations.

The funding focus of last year was completing the £900m unsecured sustainability-linked revolving credit facility. In addition, in January we issued a HKD811m (£85m GBP) private placement, continuing the strategy of diversifying the investor base. We also took advantage of increasing rates by repaying some legacy secured debt and removed some of the embedded fixed rates within legacy loans.

Our balance sheet remains strong, gearing remains stable at 55%, and we retain £0.8bn of cash and available facilities to continue to invest in our social purpose.

OPERATING REVIEW

As noted earlier in the report on page 28, we have continued to deliver new homes in line with targets set as part of our Homes England strategic partnership. During the year, we delivered 1,326 (2022: 1,775) new homes, of which 925 were affordable homes - including 158 shared ownership initial tranche sales.

We continued to prioritise investment in improving the safety and quality of our existing homes and the wellbeing of our Customers and Communities. During the year, we spent £151m (2022: £133.1m) on capital improvements and repairs; including enhanced fire safety measures, new kitchens, bathrooms, windows, boilers and doors, as well as increasing resources and spend on reactive and responsive repairs to meet the increased demand, particularly around damp and mould issues.

Our financial inclusion team continue to work hard in supporting Customers who are experiencing financial difficulty, ensuring they are aware of the support available to them. We also provided our Customers with £750,000 of financial support, including rent relief or vouchers for essentials such as food and fuel, through a newly launched Cost-of-Living Fund. This fund has been increased to £1.5m for the financial year ending 31 March 2024. This support for Customers enabled us to manage the impact on rent arrears, which was 3.69% at 31 March 2023, a modest increase of 0.52% compared with the prior year.

We have seen the Group's leisure facilities continue to deliver this vital service and support healthy Communities whilst increasing profitability. This reflects the strong leadership and tight cost control employed in managing the pressures of rising energy prices, uplifting Colleagues' salaries to real Living Wage while improving the quality and service offered to our Customers.

PROFIT AND LOSS FOR THE YEAR

Overall Group turnover of £849.6m has remained in line with the prior year (2022: £849.9m). The Group has seen increased income from Affordable Housing lettings and within the leisure business, which has been offset by a reduction in non-social housing development and shared ownership sales.

Profit before tax has seen a small increase of £6.9m to £83.8m (2022: £76.9m) with higher operating costs being largely offset by gains recognised on interest payable.

Operating profit and operating profit margin have reduced during the year by £45.8m and 5.4%, to £163.7m and 19.2%, (2022: £209.5m and 24.6%). This has mainly been driven by a combination of key management decisions and the impairment of certain investments. The most significant drivers are outlined below:

- Customer-focussed decision to increase the resources and costs deployed to address the increased demand for reactive and responsive repairs by £15m from prior year.
- Decision to increase salary costs to ensure all our People receive a minimum of the real living wage and provide further financial support for those struggling with the cost-of-living pressures through a Colleague hardship fund. This has results in an increase in spend of £5m relative to prior year.

- Commencement of decant process and board approval for future demolition of Joseph Rank House (after robust consideration of other options including remediation of issues with the property). As a result of which we have written down the value of the asset to the recoverable land value, which resulted in an impairment of £18.0m
- Impairment of two of our partnership investments, totalling £16m, due to the likelihood of recovery being assessed as unlikely.

The additional costs noted above, recognised in operating profit this year, have been partially offset by an increase in the overall profits received on disposal of fixed assets and strategic land sales.

Net interest costs were £53m lower than the prior year following the repayment of some legacy secured debt and breaking some of the embedded fixed rates within legacy loan positions leading to a net gain of £45.2m being recognised against interest during the year. Historically this had been expensive to break but due to increasing interest rates it became economical to do so. This is consistent with the Group's strategy of refinancing secured debt as it moves towards unsecured funding.

FINANCIAL POSITION

The Group's fixed assets grew by £270.9m to £5,362.6m (2022: £5091.7m) as we continue to invest in our affordable homes. Group stock and work in progress has decreased to £383.1m (2022: £416.1m) which reflects a continuing strong housing market. Group stock includes land held for future development, such as the Gilston Park estate that is described in more detail on page 33 of this report, work-in-progress and 111 (2022: 187) completed units, of which 77 were unreserved at the end of the year. Overall net assets have increased by £88.8m to £876.6m.

TREASURY MANAGEMENT

The table below shows the key treasury performance indicators for the year together with the comparative information for the previous four years.

Places for People had committed borrowings of £4.1bn of which £3.4bn were drawn, a reduction in committed borrowings of £0.1bn from 2022. The Group's strategy is to borrow on an unsecured basis with a medium-term objective of rebalancing the portfolio of at least 60% unsecured. The proportion of unsecured debt has again increased by 3% to 72%.

Group gearing reduced slightly to 55%, remaining below the Group's maximum of 60%.

Our policy is to maintain cash and undrawn committed loan facilities that are immediately accessible to finance 18 months' cash flow. At the year end, the Group had total liquidity of £0.8bn, comprising £735.0m of undrawn facilities and £53.8m of cash and short-term investments. This represents 24 months' cash flow and so is more than sufficient to meet the Group's policy.

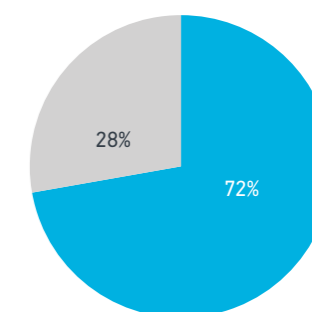
The borrowing strategy is to contain interest rate risk to below 30% of outstanding debt, with the board exercising strict control over derivative transactions and their associated risks.

This interest rate target has been met with 74.3% of debt at fixed rates of interest at the end of the year with 17.6% of debt at floating rates and 8.1% index linked.

The Group's successful sustainability bond issuance undertaken in January 2022 is the Group's longest unsecured and best priced issuance to date demonstrating the Group's strength and positive investment proposition.

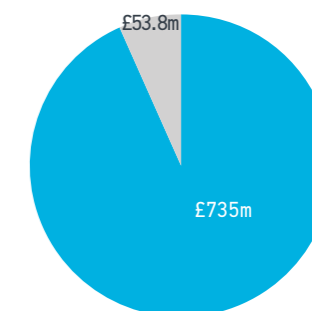
Places for People Treasury plc raises funds for the Group's Affordable Housing operations. The structure allows for a more efficient use of the Group's balance sheet and drives cheaper and more efficient borrowing costs while protecting the Group's social housing assets. The Group's investment activity is governed by strict counterparty credit criteria and investment limits which are monitored and reported on a regular basis. The Group continues to be compliant with covenants for funding arrangements. Further information on the Group's financial instruments, including a maturity profile, can be found in note 24 to the financial statements.

Debt portfolio



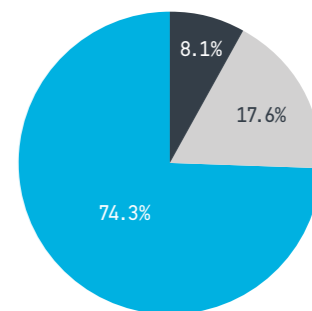
● Unsecured
● Secured

Liquidity



● Undrawn facilities
● Cash and short term investments

Fixed/floating mix



● Index linked
● Floating
● Fixed

Treasury performance indicators	2023	2022	2021	2020	2019
Total loans (£bn)	3.4	3.2	3.1	3.2	2.9
Interest cover after depreciation	1.8	1.6	1.6	1.8	1.9
Gearing	55%	55.0%	55.0%	56.8%	56.7%
Forward cash commitment (months)	24.0	24.0	27.0	30.0	28.0

Value for money is fundamental to everything we do and critical to the delivery of our strategy. We know that being efficient and effective is crucial to our success in responding to the challenges of our operating environment and deliver services and changes that make a valued impact to our Customers and People.

Our board is committed to ensuring that we make the best use of resources, reinvest them wisely and maximise the efficiency and quality of our services.

Our People Promises outline how we have a drive to improve and make things easier. Innovation has always been important in our approach. Assessing the best delivery models and evaluating alternatives is an integral element of our business planning process which ensures that achieving value for money remains central to what we do.

While the disruption to everyday life, caused by the Covid-19 pandemic, has eased, its long-term economic effects alongside supply chain issues arising from Brexit as well as Russia's invasion of Ukraine have led to the highest inflationary rises the UK has seen in over 40 years. The cost-of-living crisis has impacted everyone, but none more substantially so than those on low-income or support, which means that providing value for money for our Customers has never been as important.

Throughout the year, as part of our performance reporting, we monitor how we are delivering value for money across our strategic objectives.

During our annual business planning process, we require all areas of the organisation to identify and target efficiencies. These plans are subject to rigorous review and challenge by management prior to recommendation and approval from our Group board.

We perform regular reviews of the Group's asset base, appraising return on assets in a tailored way that is appropriate for each Group business to ensure that we are making the most effective investments in the right properties at the right time. As part of this approach, we monitor and seek to improve our return on core housing operations. We also focus on how our other assets can consistently deliver value for money through strong financial and social returns.

Value for money is addressed within reporting at every board meeting so that scrutiny of our performance against metrics is consistent and rigorous.



Colleagues working together for our Customers.



Hendon Court, Buckshaw Village, Chorley
Investing in the right properties at the right time

We conduct an annual assessment of the Group's neighbourhoods which calculates the surplus per property for each neighbourhood and reviews a range of Customer centric metrics. This is then assessed against the contribution that each individual property needs to make to cover management costs, interest costs and a contribution to major works as well as indicators of Customer satisfaction. This enables us to clearly identify which neighbourhoods are meeting minimum financial requirements and delivering value for our Customers.

The Group continues to seek to enhance its asset appraisal processes. We have added more predictive and forward-looking methods to identify underperforming assets at an earlier stage. This is enabling mitigating actions to be instigated sooner to optimise asset returns.

In last year's Annual Report, we set out five areas where we believed there was potential to improve efficiency, and which would therefore be given particular focus. These were improving Customer experience, delivering procurement savings, increasing the level of repairs delivered 'right first time,' implementing new housing management software to deliver improved service to our Customers and improving our return on capital employed.

Set out on the following pages are the main outcomes achieved in the year for each area.

Customer experience

In last year's Annual Report, we included a specific objective to continue to increase the reported level of overall Customer satisfaction to 92% and achieve a Net Promoter Score of +49 across our Affordable Housing businesses.

For the year ended 31 March 2023, our Customer satisfaction score was 80.7% across our Affordable Housing businesses. This score is an aggregated score for several individual measures including repairs, cleaning, ground maintenance and gas servicing. Our Net Promoter Score averaged +45 over the year. Both targets were missed for several reasons including challenges experienced delivering our repairs and ground maintenance services during the year brought about by shortage in skilled tradespeople and supplies and continuing to reduce the backlog remaining from Covid.

In 2023/24, we will be re setting our Customer satisfaction measurement in line with the new Tenant Satisfaction Measures (TSM) developed by the Regulator of Social Housing.

We are committed to continuously improving our Customer experience. To support this, we developed a Customer Effort Score (CES) measurement framework which we piloted towards the end of the year.

We measure how easy or difficult it is for Customers to engage with different services across the organisation by asking a single 5 point scale question at various Customer touchpoints. More information regarding the pilot performed in the first quarter of 2023/24 is provided on page 21 of the report.

Both measurements will enable us to identify the interactions and services that are currently difficult or unsatisfactory, as well as where we are performing well, and develop ways to improve the overall Customer Experience. Our performance will be benchmarked within sector and wider best practices.

Our National Customer Group continue to meet quarterly with members of our Group board and Executive Leadership team to hold us to account, scrutinise PfP's performance and standards and to ensure the Customer Voice is heard and acted upon to continuously improve the services we deliver. In 2023/24, we will develop Regional Customer Groups, aligned to our operational regions, to further develop our Customer Voice framework.



One of our Place Managers.

Affordable Housing repairs and maintenance service

Last year's value for money report identified Affordable Housing repairs and maintenance service as a key focus with a target to increase the level of repairs delivered 'right first time' to 92% to improve efficiency and effectiveness within the service.

During the year we saw a continued increase in demand, which was further compounded by a rise in callouts relating to potential damp and mould cases in the second half of the year. We remain committed to delivering the right repairs at the right time, and our focus has been on addressing our Customers' urgent concerns through increased resources and investment.

More information on this is provided on page 27 of this report. In year demand exceeded 240,000 repairs; 31% of completed repairs were emergency, and of those emergency repairs, 96.6% were completed within our target time. In this backdrop, our right first time performance did not quite reach target and we ended the year at 87.5%.

We aim to continue to drive improvements in our right first time repairs through investment in new tools to improve the accuracy of job bookings and repairs reporting as well as new scheduling software to ensure the right people are assigned to the right jobs.



Providing a more effortless Customer experience.



Improving the quality of our Customers' homes.

Procurement

In our last report we set a target to achieve cost reductions of at least £2m through procurement savings across a range of goods and services in the financial year.

This goal was surpassed by over 50% with the strategic Procurement team delivering just over £3m of cashable savings for the Group across a range of goods and services in 2022/23. Against the backdrop of an increasingly challenging economic environment with rising costs and inflation, this was a significant achievement considering the underlying impact on availability, quality, and price in many markets.

A portion of cashable savings is achieved through rebates, which is effectively cash we receive back into to the business. During the year, we received around £0.5m in rebates from the Group supply chain, largely products required to deliver responsive repairs, and a fuel card rebate.

Throughout the year, our Procurement Team have delivered many valuable projects to the business, including:

- Continued to support the Developments businesses within the Group by appointing various manufacturers and establishing 46 product agreements, including kitchens, bathrooms, and boilers.
- The appointment of strategic contractors for the Major Works Investment Programme which will deliver a year one saving of £2.46m which will be used to enable a significant number of additional installations within budget and improve the lives of our Customers.
- The appointment of a regional framework of general trade contractors to support planned and responsive repairs where there is limited coverage and drive a more effortless experience for our Customers.

Our Procurement Team have delivered a wide variety of projects to drive increased efficiency and value for money in the Group's day-to-day operations. This has included the design and rollout of a new Group fleet, new vehicle racking solutions and sourcing of a new telematics system. The new telematics system will increase the visibility, safety and efficiency of the Group's fleet. A trial performed with 29 vehicles demonstrated a 6.3% reduction in fuel consumption, which means we would expect annualised savings over £200,000 once the solution is fully mobilised. The team have also negotiated exits for the Group from several complex and costly contracts across a variety of areas as the business reacts to the challenging operating environment. Negotiating key contract extensions with Colleagues in IT that counter inflation are also examples of the strategic focus of the Indirect Team across the Group.

Critical savings were realised in regard to energy and utility costs for the Group, during an unprecedented period of crisis and volatility in the energy market. This included a reduced rate for gas supply from 15p to 8.17p per kwh which has been secured until the end of the financial year 2024/25. We also delivered a saving of £45,000 for landlord water supplies against regional water company tariffs.

Our Procurement Team have continued in their role and relationships across the Group to offer additional procurement support and advice, including spend analytics, contractual support and facilitating local tender projects. In particular, the team have supported Group initiatives such as a Procurement Steering Group focused on areas of spend linked to service charges for Customers.

Through this we have facilitated working groups for commodities such as commercial laundry equipment, CCTV and domestic furniture with the aim of improving supply chain performance and ensuring value for money. We have continued building on collaboration across the Group to offer advice and support to business areas in achieving their strategic objectives. This includes our work with Places Leisure which resulted in the delivery of a strategic procurement project for fitness equipment. Through this project a cashable saving of £112,000 was achieved as well as appointing a supplier who can leverage their expertise to create innovative and inclusive fitness spaces for our Communities and Customers.

As well as cashable savings, further value for money was delivered by the Strategic Procurement Team in the form of significant contributions to the Group social value fund which is a core consideration in all our procurement projects and work with the Group supply chain. We have continued to increase and enhance the use of technology to deliver our core objectives by optimising the efficiency of our operations to provide clarity and transparency of information for our Customers and Colleagues. This includes our work with Group IT to develop a new digital platform to support supplier and contract management activities and enhancements to our use of Salesforce, in the management and monitoring of the team's performance.



Housing 2023 — Procurement Hub's exhibition stand at the Chartered Institute of Housing's annual conference.

Service optimisation

In our last report we set a target to implement new housing management software to deliver improved service to our Customers and achieve £1.5m in management cost savings through continued transformation of operating models and business practices.

In year, we have improved our Customer experience and service efficiency through the deployment of a new complaints management system and new lettings process. Combined with a re-organisation of the management structure, this has an annualised saving of £1.9m within management costs.

We continually seek to deliver value for money and drive a more effortless experience for our Customers and therefore, further changes to the housing management software are planned for the financial year ending 31 March 2024.

Return on capital employed

In last year's Annual Report, we noted that as a debt funded business it is important that the capital we have is deployed to generate a return and set a specific target to increase the return on capital employed to 6.9%* for the Group as a whole during the year.

The return on capital employed for 2022/23 was 5.1%*, which was lower than the target of 6.9% due to continuing economic challenges faced by the Group including rent caps, utility and other cost inflation, and interest rate rises as well as the management decisions made during the year around fair pay (described on page 37) and increased investment in repairs noted above. The Group has also made available a number of Customer hardship schemes to support our Customers with these same challenges. High levels of investment in our homes has continued which has contributed to our strong net asset position however the above factors have resulted in lower than projected profits and our missing the overall ROCE target. For the coming year the Group has maintained the target of 6.9% recognising that we are beginning to see the easing of the headwinds discussed.

*The target of 6.9% and outturn of 5.1% were calculated on an internal basis which considers return on total debt rather than return on total assets less current liabilities which is used in the table on page 61 in line with RSH defined metrics.

Targets for 2023/24

Our business plan clearly articulates our strategic objectives, and performance reporting to the board ensures we are delivering value for money in meeting those objectives.

All business areas identified specific efficiency and value for money targets for the year including a target to sustain or improve return on capital employed. Performance against these targets will continue to be monitored by the Group board and Group management team.

In addition to meeting the key performance indicators identified within our business plan, we have identified the following specific areas of focus for efficiency or improvement in the 2023/24 financial year:

Procurement – achieve cost reductions of at least £2.5m through procurement savings across a range of goods and services.

Customer service – continue to improve our Customer experience and deliver a CES of 3.8.

Affordable Housing repairs and maintenance service – increase the level of repairs delivered right first time to [90%] to improve efficiency and effectiveness within the service.

Service optimisation – continued implementation of new housing management software, including a new CRM module, to deliver improved service to our Customers and achieve a further £1m in annualised cost savings through continued transformation.

Indicator	2023	Benchmark peer group median	2022
Reinvestment	9.2%	6.5%	5.2%
New supply delivered (social housing units)	1.0%	1.4%	1.2%
New supply delivered (non-social housing units)	0.9%	0.0%	0.9%
Gearing %**	72.1%	44.1%	65.5%
EBITDA MRI	128.1%	145.7%	118.0%
Headline social housing cost per unit	£3,522	£4,150	£3,057
Operating margin — social housing letting	40.7%	23.3%	47.7%
Operating margin overall	18.2%	20.5%	23.4%
ROCE	3.0%	3.2%	4.0%
Customers satisfied with service provided by their social housing provider*	80.9%	85.9%	91.8%
Occupancy*	99.3%	99.4%	99.5%
Rent collected*	98.45%	99.1%	99.2%

The metrics above highlighted in blue are RSH defined value for money metrics.

* Affordable Housing only

** The gearing metric shown in the table is not considered to fully represent the true gearing of the Group. While the metric includes the Group's social housing assets, it does not include the Group's investment properties or investments into joint ventures. The Group's investment properties provide a diversified income stream from property rental which is outside of the Government's rent regime and generates a surplus that is used to maintain the current Affordable Housing and contribute to the Group's new Affordable Housing development programme. When these additional assets are taken into account, the Group's gearing at the year end is [54.5%]

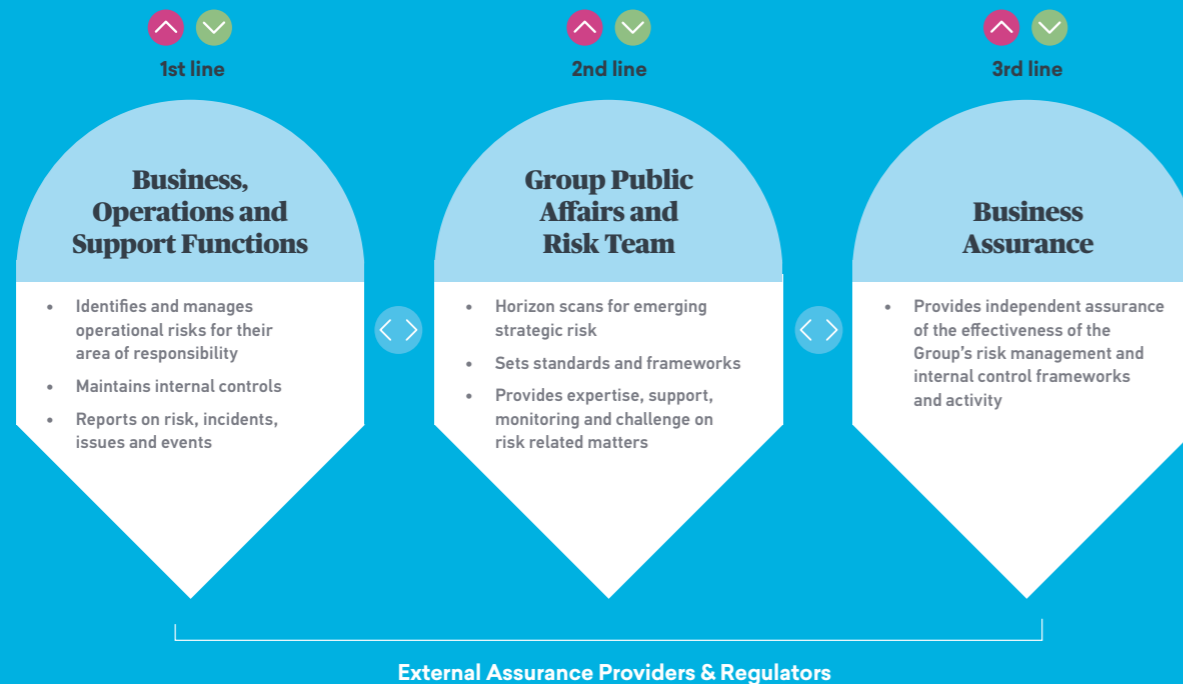
RISK MANAGEMENT & ASSURANCE

The board is responsible for the Group's system of internal control. This has been designed to manage, and mitigate as far as possible, the risk of any failure to meet business objectives. It can only provide reasonable assurance — not absolute assurance — against material misstatement or loss. The board's approach to risk management is supported by a structured assurance framework which includes the Audit & Risk Committee.

The board has an ongoing process to identify, evaluate and manage the significant risks faced by the Group. This was in place throughout the financial year and up to the approval date of the financial statements. The Group's Risk Management Framework is supported by a 'three lines of defence' assurance model, a risk-based internal audit and assurance mapping.

-  Alignment, communication, coordination, collaboration
-  Accountability and reporting
-  Delegation, direction, resources, oversight

The three lines of defence



The Group's overall approach to risk management, internal controls and assurance is made up of several, interrelated activities which include:



Risk management and assurance processes have been reviewed during the year by the Regulator of Social Housing, with the Group receiving a G1/V2 rating, reflecting the volatile environment the Group is navigating.

At each year end, senior management from across the business are asked to confirm they have appropriate internal control structures, policies, procedures and risk management processes in place for the financial year. The outputs from this process are provided to the Audit & Risk Committee for the year in question. All relevant management confirmed appropriate arrangements were in place and no significant control weaknesses were identified.

As part of the normal course of business, and in line with our culture of continuous improvement, testing of internal controls through the business assurance process identified opportunities to enhance our control structure. Recommendations for improvements are provided via Business Assurance reports and the implementation of these recommendations is monitored by the Group Executive and Audit & Risk Committee.

The Audit & Risk Committee has received a full report on the internal control system in place throughout the year. The Committee is satisfied the sources of assurance are appropriate, adequate and valid, and sufficient evidence has been provided to confirm the internal control system's design and operation is adequate.

The following diagram provides an overview of the risk management activities undertaken within the Group which allow the board to fulfill its obligations.

Internal reporting

Parties involved

External reporting



Risk management & assurance in 2022/23

Areas of focus for Group during the year that were closely monitored from a risk management perspective were:

- **Asset and asset services:** Increasing the amount that we are investing in the condition of our assets and improving our repairs services.
- **Customers:** Clear focus on Customer services and continue to engage and gather feedback on improving our services.
- **Digitisation:** Digitising the Group and processes to provide an effortless service to our Customers.

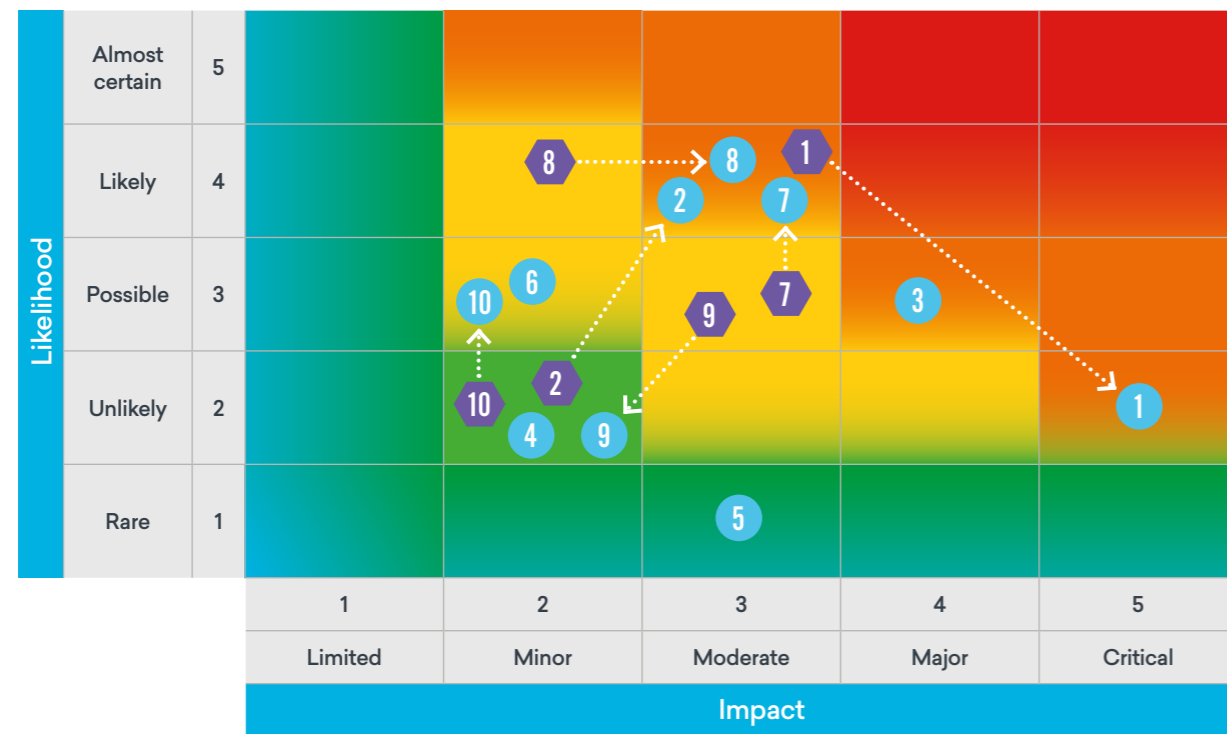
The Group undertook a range of activities to positively impact our People and Customers, in particular:

- Delivery of a single vision and purpose with a clear group strategy.
- **Reconnecting with our Customers:** Listening to our Customers on what they want and need.
- **Increased focus on ESG:** Developing a clear strategy and future targets.

Our risk management and assurance activities during the year recognised and considered the following as pertinent to our assessment of risks and their mitigation strategies:

- **Economy:** Britain faces a challenging macroeconomic environment with increasing energy supplies, rising interest rates and sputtering growth — this impacts Customers and Group development plans.
- **Customers:** Cost-of-living remains a concern. Increasing energy and housing costs, coupled with weak wage growth have resulted in real term wage cuts.
- **Political environment:** The next election is imminent consequently decisions on public sector spending may be focused on alleviating the impact of inflation on households rather than tackling long term issues such as social care and decarbonisation.

Risk map & summaries



● March 2022 Net Risk Rating (where different)
 ● March 2023 Net Risk Rating
 ←..... Change in year

RISK TITLE

- | | |
|--|--|
| <p>1 Health and safety</p> <hr/> <p>2 Customer experience</p> <hr/> <p>3 Technology, data and security</p> <hr/> <p>4 Legal and regulatory</p> <hr/> <p>5 Strategy and governance</p> <hr/> | <p>6 People</p> <hr/> <p>7 Business performance</p> <hr/> <p>8 Political, environment and macro-economy</p> <hr/> <p>9 Sustainability and uneconomic assets</p> <hr/> <p>10 Business disruption</p> <hr/> |
|--|--|

Risk	Mitigation	Change in year
1. Health and Safety		
<p>The Group suffers a major incident impacting the health, safety, or wellbeing of multiple Customers, Colleagues or contractors where the harm to the stakeholder is severe or the sanction faced is material.</p>	<p>There is a Group-wide health and safety management system in place which supports regular reporting to the Group board, Group Audit & Risk Committee, Executive, Management team and the Strategic Risk Management Group.</p> <p>There is a dedicated Group Health and Safety team which carries out an annual Group-wide audit programme covering fire, health and safety, property, and environmental compliance.</p> <p>An audit programme covering safeguarding is also under development.</p>	<p>2023 Rating – Red/High</p> <p>2022 Rating – Red/High</p> <p>The current risk rating reflects the operational uncertainty around fire safety due to legislation changes (Building Safety/Fire Safety Bill).</p> <p>The risk is retained as a red / high risk due to current legislation and the cost implications rather than any material weakness in our controls.</p>
2. Customer Experience		
<p>A major failure to meet Customer expectations, either permanent or temporary, leading to a significant reduction in Customer satisfaction, reputation loss, regulatory censure and/or financial loss.</p>	<p>The Group strategy 'Because Community Matters' focuses on creating, managing and supporting thriving Communities.</p> <p>We actively engage with our Customers and use feedback from our National Customer Group to shape decision making. This approach is supported by key performance indicators (KPIs) to monitor Customer experience across a range of touch points, including the Net Promoter Score, and satisfaction with services provided.</p> <p>The Group actively engages with the Regulator of Social Housing and completes an annual self-assessment against regulatory consumer standards.</p>	<p>2023 Rating – Amber/Medium</p> <p>2022 Rating – Green/Low</p> <p>This risk assessment has been increased to take account of the current focus on improving asset condition and performance against KPI's. In 2022, the Group undertook a deep dive into damp and mould and repairs services that identified some areas for improvement.</p>

Risk	Mitigation	Change in year
3. Technology Data and Security		
The data management, governance, or technology is unable to meet the information needs or cyber security and/or privacy requirements of the business leading to financial loss, poor decision making, inefficiency, compliance failures, data breach, system loss/failures, penalties and/or reputational damage.	<p>The Group has undertaken a review against the NIST Information Cyber Security Framework and will move towards a more adaptive and responsive approach to managing cyber security risk.</p> <p>Monthly dashboards and key performance reporting are in place together with IT controls covering technical, network security, datacentre security and encryption and device theft.</p> <p>There is a data protection framework across the Group, underpinned by a breach reporting process, compliance reviews, training programme, advice and Group-wide support by in-house expertise and data protection leads.</p>	<p>2023 Rating – Red/High 2022 Rating – Red/High</p> <p>The risk rating reflects the continued increased threat of attempted cyber-attacks and security-related incidents which could have a significant impact. The sector also appears to be subject to increased cyber attacks.</p> <p>In addition to the mitigations above, the posts of Group Chief Information Officer and Director of Cyber Security have been appointed to further strengthen our approach.</p>
4. Legal and Regulatory		
The Group could fail to comply with its legal/regulatory requirements, including the delivery of value for money and compliance with anti-bribery, anti-money laundering and modern slavery regulations, safeguarding, the Welfare Reform and Work Act 2016 and rent regulations. There could also be a loss of assets and/or reputational damage due to fraud, bribery or theft.	<p>The Group employs a Group Director of Property Safety & Compliance, Director of Regulation and an expert legal services team to identify and comply with all relevant legal and regulatory requirements.</p> <p>The Group maintains and regularly reviews a framework of policies and procedures that reflect relevant standards.</p> <p>The Group continuously monitors the external environment to see any changes in practices. The Group also runs an independent, risk-based business assurance programme, and legal and regulatory requirements are reviewed regularly.</p>	<p>2023 Rating – Green/Low 2022 Rating – Green/Low</p> <p>There has been no change to our assessment of this risk during 2022/23.</p> <p>During the 2022/23 financial year, our approach has been further strengthened with the appointment of a Director of Risk and Group Senior Risk Manager.</p>

Risk	Mitigation	Change in year
5. Strategy and Governance		
The Group has an ineffective strategy and/or governance leading to a lack of control or direction impacting our ability to deliver business plan and social impact objectives. Operational performance is compromised due to merger/acquisition failure or in pursuing new business.	<p>There are board appraisal, nominations and board and executive recruitment processes in place supported by regular reviews of remuneration packages ensuring the Group recruits and retains board and senior management of the right calibre. High quality and empowered second tier directors are in place capable of managing their businesses in the medium term.</p> <p>The Group has a dedicated multi-disciplinary Change Management Group to provide oversight and strategic direction on Tier 1 change initiatives across the Group, ensuring appropriate resource deployment and alignment with the Group Strategy.</p> <p>There is a structured capital approval and investment process in place and effective ring-fencing arrangements to protect social housing assets. The Group undertakes detailed due diligence on new joint venture arrangements or proposed mergers.</p> <p>The Group also undertakes challenging stress testing of its business plans.</p>	<p>2023 Rating – Green/Low 2022 Rating – Green/Low</p> <p>There has been no change to our assessment of this risk during 2022/23.</p> <p>Each year, the Group board completes a governance review including a self-assessment against the UK Corporate Governance Code.</p> <p>During the year, the Group's viability rating moved from V1 to V2, which is primarily based on the volatile macro economic conditions the UK has faced in 2022/23. A Group Partnerships Director has been appointed which will further strengthen arrangements for mergers, acquisitions, contract negotiations and Group-level partnerships.</p>
6. People		
The Group is unable to deliver the business plan or provide satisfactory service to Customers due to a failure in employment practices, key person dependency, or an inability to retain, recruit or develop People in sufficient numbers or with sufficient quality and skills.	<p>There is a centralised HR function and use of a specialist recruitment function.</p> <p>To attract and retain Colleagues there are competitive salary and remuneration package offerings backed by regular market reviews.</p> <p>Succession planning, training and development includes the Places Academy.</p> <p>The Group aligned all minimum salaries to the real Living Wage. The Group also introduced the Colleague Hardship Fund to support our People who have been affected by the cost of living crisis and are facing, or at risk of, facing significant financial hardship.</p>	<p>2023 Rating – Amber/Medium 2022 Rating – Amber/Medium</p> <p>There has been no change to our assessment of this risk during 2022/23.</p> <p>In 2022/23 the Group undertook the Big Colleague Survey, receiving responses from 90.3% of Colleagues and resultant action plans will be created to address areas of concern.</p>

Risk	Mitigation	Change in year
7. Business Performance		
Business performance impacts the Group's ability to deliver the business plan, or deliver more affordable homes, due to unplanned cost increases, revenue reductions, insufficient liquidity, development or planning related issues, or supply or counterparty failures.	<p>The Group has an effective business planning process which incorporates stress testing to ensure the viability of future plans.</p> <p>An established monthly performance monitoring framework is in place, underpinned by identified KPIs and reporting to senior management and routine scrutiny and board oversight.</p> <p>The Group deploys in-house procurement expertise, use of national contracting and framework agreements to manage supplies and spend.</p> <p>For development projects there is an established risk assessment, business case approval, project control and handover processes in operation.</p> <p>The Group's approach to managing liquidity is to ensure, as far as is possible, it will always have sufficient liquidity (minimum 18 months cashflow) to meet its liabilities.</p>	<p>2023 Rating – Red / High 2022 Rating – Amber/Medium</p> <p>The risk assessment in 2022/23 has been increased to take account of the volatile macroeconomic environment which has affected the housing market, Group developments and Customers. Borrowing costs may also be affected in the future.</p>
8. Political, Environment and Macro-economy		
Changes in government policy and practice or economic disruption to the UK or worldwide economy impact negatively on the products and services the Group offers and/or the achievement of performance targets in the Group business plan.	<p>A regular PESTLE and operating environment review is undertaken to identify internal and external changes that may affect the Group.</p> <p>Key members of the Executive team continue to lobby government both directly and through the National Housing Federation to ensure housing remains a significant government priority.</p> <p>Increasing energy prices and the subsequent impact on the Group and Customers are mitigated through increasing support measures for Customers, expenditure reviews and cost reduction measures and, for our leisure business, renegotiation of management contracts with local authorities as a result of energy prices.</p>	<p>2023 Rating – Red / High 2022 Rating – Amber/Medium</p> <p>The risk assessment in 2022/23 has been increased to take account of the volatile external environment.</p> <p>The drivers for this increase include the Ukraine conflict, the cost-of-living crisis, and the volatile macroeconomic environment.</p> <p>There has been a range of changes in the political leadership in 2022/23, which has caused a lack of certainty and clarity of policy direction.</p>

Risk	Mitigation	Change in year
9. Sustainability and Uneconomic Assets		
The Group is unable to adequately respond to climate change, decarbonisation requirements, uneconomic assets or environmental risk factors impacting on our ability to achieve strategic goals, Customer safety, and/or regulatory compliance.	<p>The business planning process, performance monitoring and board scrutiny processes consider carbon reduction and climate related challenges. The RemNomCo has taken ownership of the ESG strategy and an Environmental Sustainability structure has been implemented, across the Group, to provide improved governance and insight into ESG activities. This has been accompanied with the development of environmental sustainability aims, targets and appropriate KPIs.</p> <p>The Group carries out regular reviews of its products and assets through the Asset Management Group, asset survey programme and capital spend allocation, and is continually reviewing new technology and innovations to ensure ongoing development of the business and ways of working. This has helped us to embed climate-related risks and opportunities within business, strategy and financial planning processes.</p> <p>The Group undertakes regular stakeholder engagement giving us confidence in our ability to identify, track, and understand the implications of societal and/or technological change and to respond.</p>	<p>2023 Rating – Amber/Medium 2022 Rating – Amber/Medium</p> <p>There has been no change to our assessment of this risk during 2022/23.</p> <p>The Group continually monitors the external environment to ensure we are in step with environmental laws and policies and any changes to these.</p> <p>The sustainability landscape is constantly evolving and while we consider the impacts of climate change on our business, we recognise that ongoing analysis is required to help inform longer-term decision making.</p> <p>The Group's Sustainability Strategy has been reviewed and updated in 2022/23.</p>
10. Business Disruption		
The Group suffers a major incident impacting the continuity of business and delivery of Customer services. Significant disruption or prolonged business restrictions impacts the business plan.	<p>Oversight and direction for business continuity is provided through the Business Continuity and Crisis Management Group.</p> <p>The Group has a major incident policy and business continuity planning approach in place, supported by a framework of guidance and business continuity plans (including IT disaster recovery plans) in each business.</p>	<p>2023 Rating – Amber/Medium 2022 Rating – Green/Low</p> <p>The risk assessment in 2022/23 has been increased to take into account the potential impact of energy outages and strike action which could affect Customers, Colleagues and assets.</p> <p>We continue to promote work-life balance at the same time as making our workplaces more agile and flexible, so we maximise innovation, creativity and productivity.</p>



GOVERNANCE REPORT

www.placesforpeople.co.uk

Board of Directors

Executive and Non-executive

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The Group board, at the date of signing the annual report, comprises seven non-executive directors and three executive directors, striking a balance between executive and non-executive roles and also a suitable balance to address the challenges of workload and skills required. Details of the directors and their respective biographies can be found on pages 78 to 80.



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Non-executive directors are subject to reappointment at intervals of no more than four years and are expected to serve for no more than nine years. The terms of appointment of all directors are available for inspection from the Company Secretary during normal business hours.

In accordance with the Companies Act 2006, the directors comply with a duty to exercise reasonable care, skill and diligence; a duty to promote the success of the company (please refer to pages 46-47 for the Group's section 172(1) statement which explains how the directors achieve this in practice); a duty to act within their powers; a duty to exercise independent judgement; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties; and a duty to declare any interest in a proposed transaction or arrangement.

The board meets at least five times a year to direct overall strategy and take key financial and business decisions. Given the complex nature of the Group's business, members of the board also meet in standing committees, working parties and ad-hoc working groups, as required, to examine specific areas of operation.

The standing committees and working parties are:

-
- **Audit & Risk Committee**
 - **Treasury & Investment Committee**
 - **Remuneration & Nominations Committee**
 - **Development Committee**
 - **Pensions Working Party**
-

The work of these standing committees and working parties is described later in this report and details of committee/working party membership and attendance at board and committee/working party meetings during the year are reported on page 99. Decisions to approve proposed financial transactions can also be delegated to the boards of Places for People Treasury plc and Places for People Finance plc as reported below.

During the year, the Group board also held a number of deep-dive initiatives to further develop its understanding of significant themes that matter to them. The four events hosted during the year at different locations being:

- Community (Sheffield);
- Customer (Preston);
- Homes and Places (Leeds); and
- Environmental Sustainability (London)

also provided the non-executive directors with an opportunity to meet and hear from our Customers, Colleagues and partners. Further events will be held during the 2023/24 financial year and will continue to provide governance and oversight of our strategy whilst allowing the Group board and senior leadership team to visit our Communities.

To help keep our board members connected with Customers and our People between meetings, board members also receive regular updates of activities posted on our social media platform, Viva Engage and with effect from April 2023, received a copy of our new Places Management magazine aimed at our People who due to them being out and about serving our Communities, don't always get the opportunity to view other channels of communication.

The board adopted guidelines for the appointment of non-executive directors which were in place throughout the year. Those guidelines include a requirement for there to be a formal role profile in relation to each non-executive board appointment.

During the recruitment process, the board selects the best candidate for any vacancy. It has no targets for board composition by reference to gender, ethnicity, sexual orientation, or any other diversity measurement. The board is proactive in seeking to include in interviews for Group board appointments, one or more candidates whose presence on the board would add to its diversity. The board would only use diversity as a decisive criterion in connection with any appointment if two or more candidates were evenly matched in other respects.

On 30 June 2022, Helen Fridell resigned as a non-executive director to take up an unexpected opportunity to pursue her career in her homeland of Australia. Having served for a maximum term of nine years, Nigel Hopkins stepped down from the Group board on 30 September 2022. Executive directors Debi Marriott-Lavery and Tim Weightman resigned from the Group board on 6 August 2022 and 8 September 2022, respectively. None of the directors who left the board up to the point of signing these reports and financial statements expressed concerns about the operation of the board for circulation on their departure to fellow board members.

On an administrative level, the board requires each director to inform the Company Secretary if he or she has an interest that ought to be declared. Such interests include offices held in other organisations but also any other potential conflicts of interest (namely those related to connected persons, benefits offered by a third party or interest in a proposed or existing transaction). Through the register of interests, which is made available to board members at each meeting, the board monitors the independence of individual directors and remains satisfied that during the year under review, all directors have been properly regarded as independent.

Non-executive directors have the opportunity to scrutinise management through the reports presented to and their attendance at board and committee/working party meetings.

Ultimate authority for all aspects of the Group's activities rests with the board. The board has determined a clear division of responsibilities between the Group Chair and the Group Chief Executive as set out in the Governance Manual which is available on the Group's website.

Delegation of responsibilities by the board of directors

Ultimate authority for all aspects of the Group's activities rests with the board. The board has determined a clear division of responsibilities between the Group Chair and the Group Chief Executive as set out in the Governance Manual which is available on the Group's website at www.placesforpeople.co.uk

The board is responsible for setting strategies and policies for the whole Group's activities, including, the approval of business and financial plans as well as the approval of the Group's strategy aimed at furthering its purpose and culture. The board remains satisfied that its policies, practices, and behaviour throughout the business are aligned with providing a single and unifying purpose and vision for the Group, and a clarity to its aspiration — to be and be known as the UK's leading Social Enterprise, changing lives by creating, managing and supporting thriving Communities.

The board achieves this through a combination of an established set of matters that are reserved to the Group board, intra-Group agreements, schedules of delegated authority, appointment of board members to subsidiary boards and the application of Group-wide policy standards on key issues.

Where matters are not reserved to the Group board, the scheme of delegation operates so that management has all necessary authority to run the Group's business.

Non-Executive Board Members

The board members have diverse backgrounds in industry and public life. The non-executive directors act independently of management which ensures the highest standards of accountability and transparency are upheld throughout the organisation.



Richard Gregory (OBE) – Chairman

Richard has held roles including Chair, Deputy Chair, Senior Independent Director, Non-Executive Director, Board Member, and Senior Advisor at a range of public and private sector organisations operating in finance, healthcare, digital media, regional development, education, science, and technology.

Richard is currently Chair of the specialist lender Together Personal Finance Ltd. His executive career was in television broadcasting, first with Granada TV in Manchester and then Yorkshire Television, where he was Managing Director of Broadcasting before his retirement.

Richard joined the Places for People Group board on 1 November 2020.



Graham Waddell – Senior Independent Director

Graham has held several senior executive positions at Nationwide Building Society. He was also Managing Director of a Nationwide subsidiary, which was a large private landlord and property-owning vehicle. He was Chair of the Council of Mortgage Lenders in Scotland and is a Fellow of the Chartered Institute of Bankers.

Graham joined the Places for People Group board on 1 September 2018 and was appointed Senior Independent Director in 2019.



Regina Finn

Regina is Chair of the Low Carbon Contracts Company and the Electricity Settlement Company, a Director of Lucerna Partners, and a Non-Executive Director of Motor Fuel Group. Formerly, Regina was Chair of Mutual Energy Ltd, and a Non-Executive Director of the Irish Water and Channel Islands Competition and Regulatory Authority.

The first Chief Executive of Ofwat, Regina was the Commissioner for Energy Regulation in Ireland, and set up a regulator for the energy, post and telecommunications sectors in Guernsey. She also led the establishment of Ireland's first economic regulator for telecommunications.

Regina joined the Places for People Group board in October 2019.



Graham Kitchen

Graham was most recently, Global Head of Equities at Janus Henderson Investors. He is Chair of Trillium Asset Management UK Ltd, PPT Asset Management UK Ltd and AVI Global Trust, and a Non-Executive Director at The Mercantile Investment Trust plc. Graham is also a mentor for The Prince's Trust and Social Mobility Foundation.

Graham joined the Places for People Group board in October 2017.



Angela Daniel

Angela works for a global insurance company and heads up the firm's finance team within the Europe asset management division. She has worked as the EMEA Controller for Custody & Securities Lending (WSS) in JP Morgan Chase, and as a client financial management specialist for the oil and gas sector at Accenture.

Angela trained as an accountant and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). She currently holds non-executive roles at The Urology Foundation and Unlocked Graduates.

Angela joined the Places for People Group board in October 2019.



Richard Cartwright

Richard is a Non-Executive Director at Central North-West London NHS Foundation Trust and a Governor at Motability. Having trained as an auditor with KPMG, he continues in that field as an independent external member of the Audit, Risk & Assurance Committee of the National Audit Office, while also working as a Principal Enterprise Fellow at Southampton Business School.

Richard, who sustained a high-level spinal cord injury in 2006, is passionate about making places truly inclusive and accessible for all.

Richard joined the Places for People Group board in November 2021.



Michael Dunn

Michael is currently a Non-Executive Director, Audit Chair and Senior Independent Director of Storm Housing Group and of London & Continental Railways Ltd (LCR Properties) which works between the public and private sectors to develop housing projects with transport elements.

He is also a Non-Executive Director: Audit and Risk for the Crown Prosecution Service. He has previously served as a Non-Executive and Chair of Audit and Risk on the board of the G15 Housing Association Metropolitan Thames Valley and as Non-Executive Chair of Networks.

Michael joined the Places for People Group board in January 2022.

Alongside their management responsibilities, our Executive board members share collective responsibility with the Non-Executives for the activities of the board.



Greg Reed – Group Chief Executive

A highly experienced senior leader, proven at delivering strong, sustained People, Customer, and commercial, outcomes, Greg joined Places for People as Group CEO in December 2021.

Before this, Greg was UK CEO for HomeServe, and spent 20+ years in executive leadership roles at Bank of America and RBS Group.

Greg is driven by the responsibility Places for People has for helping to solve the UK's housing crisis.



Andy Winstanley – Group Chief Financial Officer

Andy joined Places for People Group in 2010 as Group's Financial Controller, became Group Finance Director in 2017, and then CFO in 2022. In his 13 years at Places for People, Andy has been core to the growth and continued financial strength of the organisation.

Andy qualified as an accountant at Ernst and Young where he spent nine years in its North-West practice supporting a range of large private and public companies.



Scott Black – Group Chief Operating Officer

A chartered architect with 25 years' experience in the development industry, Scott was formerly MD of Crest Nicholson Regeneration, responsible for delivering major UK projects and regeneration schemes, with an annual turnover of £300m.

Scott joined Places for People in May 2020 and became Group COO in August 2022, leading the Affordable Homes and the Developments & Regenerations divisions and as part of the latter, leads the Homes England strategic partnership, which will see around 7,000 homes delivered in the next 10 years.

The Group's governance arrangements are described in the following pages. The Group is required to adhere to standards imposed by its Regulators and also endeavours to comply with the principles and provisions of the UK Corporate Governance Code (2018 version) to the extent that it can and where it can't, suitable explanations are contained within this report.

Audit & Risk Committee

A review of the activity of the Audit & Risk Committee is summarised below and demonstrates the Committee's fulfilment of its obligations as set by the Group board. The committee carries out its duties as detailed below for the parent company, the majority of its major subsidiary undertakings and the Group as a whole.

The members of the Audit & Risk Committee from 1 April 2022 to 31 March 2023 were:

- **M Dunn (chair from 1 October 2022)**
- **A Daniel**
- **R Finn**
- **G Waddell**
- **G Kitchen**
- **N Hopkins (chair until 30 September 2022)**

supported by members of management.

REMIT

The executive directors are responsible for maintaining and reviewing the Group's system of internal control. The Audit & Risk Committee is responsible for discharging governance responsibilities in respect of audit, risk and internal control and reports to the board, as appropriate.

It oversees, reviews and monitors the Group's application of accounting policies and standards, the appointment and remuneration of the external auditors, the resources and work programme of Business Assurance (the internal auditors), the risk management framework and the adequacy of internal control.

The committee receives and reviews reports from Business Assurance on a regular basis. The annual plan of audits is derived through a review of the Group's key strategic and operational risks alongside discussions with Executive and Senior Directors. The committee reviews and approves this plan and any updates to it as risks and processes evolve throughout the year. This ensures that the committee has assurance on areas of material risk on a regular basis.

In 2022-23, major areas of assurance were cyber security, data quality and accuracy, asset management (focussing on the condition of our properties), business continuity, as well as financial and People services. The external auditors submit reports to the committee when appropriate.

The committee also reviews regular presentations from management on the operation of controls throughout the business. It takes initiatives to satisfy itself that risk avoidance measures are fully embedded within the Group structure and to determine the effectiveness of management accounts. During the year a revised risk management approach under the newly appointed Chief Risk Officer was embedded. This included revising the approach to managing and reporting on risk, and appointing Directors of Risk and IT Security, both of whom presented to the Committee. The Audit & Risk Committee has operated in accordance with its plan of work throughout the year as summarised on the following pages:

Topic/area of focus	Discussions held/decisions taken
Risk Management	Quarterly reports from the Chief Risk Officer, including reporting from the Strategic Risk Management Group. The 'three lines of defence' approach to risk management was set out and work undertaken throughout the year to embed this across the business. The Committee requested annual reporting on fraud and considered a fraud and corruption risk review, February 2023 Proposed stress testing assumptions for the 2023/24 business plan, November 2022 Review of stress testing on the proposed business plan 2023/24, February 2023 Reporting on cyber and information security risk, November 2022
Business Assurance Services (BAS) (internal audit)	Quarterly BAS reports delivered throughout 2022/23 together with summary of any outstanding audit actions BAS Annual report delivered for 2021/22, April 2022 Approval of BAS audit plan for 2023/24, February 2023 Approval of internal audit charter, February 2023 Annual self-assessment against Chartered Institute of Internal Auditor (CIIA) standards, February 2023 The Committee emphasised the need to ensure delayed implementation of recommendations with previously agreed deadlines were agreed by the committee. The committee meets separately with representatives of Business Assurance on at least one occasion in each year without any members of management being present.
External audit	Appointment of the auditors, January 2023 Review of effectiveness of external audit process 2021/22, November 2022 Year-end assurance process considered and agreed, June 2022 and February 2023 Review of non-audit fees paid to the auditor in 2022/23, February 2023 The committee meets separately with the external auditors on at least one occasion in each year without any members of management being present.

Topic/area of focus	Discussions held/decisions taken
Annual/bi-annual reviews	<p>Whistleblowing Policy reviewed — the committee received the annual report reviewing the terms and usage of the policy. It provided for proportionate and independent investigation and for the protection of any whistle-blower against subsequent unfair treatment. The committee considered the arrangements were proportionate and appropriate, April 2022</p> <p>Anti-Money laundering - the committee received its annual report to review compliance with regulations. The annual report provided information to the committee on the ways in which the Group's obligations under Money Laundering Regulations had been assessed, understood and addressed.</p> <p>The report also drew to the attention of the committee the measures in place to sustain continued compliance and to identify any failures of compliance, April 2022</p> <p>Insurance - the committee received its annual report on insurance designed to describe what the Group insured, with whom, how, cost trends and service levels, August 2022</p> <p>Reports on health & safety and safeguarding were received at alternate meetings. Additionally the Committee received reporting on fire safety in person and on paper, at alternate meetings.</p>
Project Synergy	The committee considered quarterly updates regarding the implementation and costs of the project.
Committee Initiatives	Fire Safety, July 2022

External auditors

The appointment of the Group's auditors is a matter reserved to the Group board. The decision is reached with the benefit of a recommendation from the Audit & Risk Committee working alongside the Chief Financial Officer.

Following the resignation of KPMG as the Group's auditor on completion of the audit of the financial year ending 31 March 2022, the committee agreed to commence the process for the next audit tender at its meeting in February 2022. A formal procurement exercise was concluded with MHA being recommended for appointment to the Group board by the Audit & Risk Committee. MHA is a network of independent regional accountancy firms and is an independent member of Baker Tilly International. MHA has a strong background in both the construction and not-for-profit sector.

Following the recommendation by the Audit & Risk Committee, the Group board approved the appointment of MHA as Group auditors for the year ending 31 March 2023 in January 2023 with the letter of engagement being subsequently signed in March 2023.

At the close of each financial year, the committee receives a report on the external audit process and reports to the Group board its findings regarding the independence and effectiveness of the external audit process. Such review of the audit performed by KPMG for the financial year ended 31 March 2022 took place in November 2022, and the findings were that the process had been effective but could be made more efficient. The committee acknowledged that management would address the efficiency improvements with MHA. In May 2023, the committee received the external audit plan in respect of the 2022/23 financial year.

NON-AUDIT FEES

The Group has instructed its external auditors to carry out £101,990 (2022: £93,700) of non-audit work in the year ended 31 March 2023 where advantages of efficiency, cost or expertise were identified. This related to review work in respect of the audit of the Homes England Strategic Partnership grant, EU grant audits, loan covenant reporting, bond compliance confirmations and turnover certificates.

ISSUES CONSIDERED BY THE AUDIT & RISK COMMITTEE

Matters of significant importance and risk to the Group financial statements were presented to and agreed by the Committee. A number of detailed reports were presented to the Committee and discussions were held to ensure members had sufficient understanding of the issues and their potential impact on the presentation of the financial statements. Discussions were also held with the external auditor to ensure that resolutions of these areas were in line with accounting and auditing standards.

Valuation of investment properties

The valuation of the Group's investment properties is inherently subjective as it is undertaken on the basis of a range of assumptions that may not prove to be accurate. The Group undertook an external valuation of the properties during the current year. The committee analysed the approach, reviewed the outcomes, and challenged the assumptions where it was believed appropriate to do so. The committee was satisfied with the valuation process, the effectiveness of the internal valuers, and the results of their work.

Recoverability of stock

The committee has reviewed the judgements in relation to the recoverability of the stock held by the Group at 31 March 2023. The committee received a paper prepared by management outlining the approach and assumptions taken by management to assess the net realisable value of the Group's stock and work in progress. The paper reviewed the details of sites with significant areas of judgement and the sensitivity to a change in sales prices for all of the Group's development sites. The committee was satisfied by the review undertaken by management.

Pension scheme valuations

The Committee receives details of the pension scheme valuations carried out at each reporting date from the actuaries who advise the Group. The Committee has reviewed the underlying assumptions together with the external auditors' report benchmarking pension actuarial assumptions.

After reviewing the presentations and reports from management and consulting where necessary with the auditors, the committee is satisfied that the financial statements appropriately address the significant judgements and key estimates (both in respect of the amounts reported and disclosures). The committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

GOING CONCERN

The committee reviewed management's assessment of going concern and the outcome of this. The committee was happy that the assessment was adequate and robust and provided sufficient evidence to support the going concern assumption.

After reviewing the presentations and reports from management and consulting where necessary with the auditors, the committee is satisfied that the financial statements appropriately address the significant critical judgements and key estimates (both in respect of the amounts reported and disclosures). The committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

MISSTATEMENTS

Management confirmed to the committee that they were not aware of any material or immaterial misstatements made intentionally to achieve a particular presentation. The auditors reported to the committee the misstatements that they found in the course of their work and no material amounts remain unadjusted.

Treasury & Investment Committee

A review of the activity of the Treasury & Investment Committee is reported below and demonstrates the committee's fulfilment of its obligations as set by the Group board. The committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Treasury & Investment Committee from 1 April 2022 to 31 March 2023 were:

- **G Waddell (chair)**
- **G Kitchen**
- **R Gregory**
- **R Cartwright**

supported by members of management.

REMIT

The Treasury & Investment Committee scrutinises on behalf of the Group board the strategic management of the Group's financial assets and liabilities and its liquidity position. The Group board has delegated to the committee authority to approve treasury transactions on behalf of the Group parent, including but not limited to, the terms of new or extended borrowing facilities. It has also charged the committee with ensuring coordination of the approach to treasury matters in all parts of the Group.

The Group board approved a broadening of the Committee's terms of reference to include the role of scrutinising the returns on the Group's investments particularly related to the non-social housing regulated business. This also led to the change of the Committee name to the Treasury & Investment Committee.

The Group maintains a clear distinction between its regulated social housing businesses (being its registered providers of social housing in England and Wales or registered social landlord in Scotland) and its non-social housing regulated businesses (being its commercially-driven entities).

Places for People Treasury plc raises finance only for the regulated social housing businesses and those businesses have delegated their authority to its board to approve treasury transactions on their behalf. Places for People Finance plc raises finance only for the non-social housing regulated businesses and those businesses have delegated their authority to its board to approve treasury transactions on their behalf.

Overall treasury strategy and coordination rests with the committee and decision-making in relation to specific treasury transactions rests with the committee for the Group parent and with either Places for People Treasury plc or Places for People Finance plc for the Group subsidiaries. The Treasury Committee has operated within the parameters of its terms of reference throughout the year as summarised on the following pages:

Topic/area of focus	Discussions held/decisions taken and/or recommendations made for approval by Places for People Treasury plc or Places for People Finance plc
Strategic Treasury management	<p>Review of the Treasury Policy and Treasury Strategy and revisions made, August & November 2022</p> <p>Quarterly Treasury Management updates received throughout 2022/23</p> <p>Corporate finance updates received throughout 2022/23 concerning proposed transfers/disposals</p> <p>Funding overview presented, April 2022</p> <p>Feedback from PFP Investors Seminar, November 2022</p> <p>Review undertaken by credit rating agencies, October 2022 to February 2023</p> <p>Approval of sustainability linked Revolving Credit Facility, April to October 2022</p> <p>Annual update to the Euro Medium Term Note Programme, November to December 2022</p> <p>Sterling Bond Issuance approved and transacted, January 2023</p> <p>Report received confirming guarantor compliance with Deed of Covenant, February 2023</p>
Investment matters	<p>Discussion of categories of future reporting on investment, November 2022</p> <p>Quarterly Asset & Investment Report, February 2023</p> <p>(Update on the financial performance of the Group's assets and investments (including non-social housing regulated entities), our capital investment planning and the delivery of ESG KPIs)</p>
Corporate Transactions	<p>A number of corporate transactions were considered and recommended for approval by the respective treasury vehicles, Places for People Treasury plc and Places for People Finance plc throughout the 2022/23 financial year.</p>
Committee Governance	<p>Review of Committee terms of reference and the terms of reference for Places for People Treasury plc and Places for People Finance plc.</p>

Remuneration & Nominations Committee

Review of the activity of the Remuneration & Nominations Committee is reported below and demonstrates the Committee's fulfilment of its obligations as set by the Group board. The Committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Remuneration & Nominations Committee from 1 April 2022 to 31 March 2023 were:

- **R Finn (chair)**
- **A Daniel**
- **R Gregory**
- **G Waddell**
- **H Fridell (until 30 June 2022)**
- **R Cartwright**

supported by members of management.

REMIT

The Committee has a broad remit encompassing remuneration, nominations, aspects of Group Governance, ESG strategy and reviews on policy relating to EDI. It sets the reward and remuneration policy for the Group and reviews its effectiveness with regard to all Colleagues including executive remuneration and recommendations on non-executive fee levels. The overarching policy is to set salary, benefits and a framework for performance-related pay which is competitive for each of the relevant talent pools. The Group's businesses operate in a range of sectors and locations and the policy is intended to reflect that variety.

Executive remuneration is aligned to the Group's purpose and People Promises and is linked to the successful delivery of long-term strategy. Fee levels for non-executives are set to attract candidates with the skills and experience to add value to the board.

They reflect time spent on Group activity and do not include performance-related elements. Non-executive directors remain subject to reappointment at intervals of no more than four years and are expected to serve for no more than nine years in total.

The Committee is responsible for reviewing the structure, size and composition of the Group board including its leadership needs and arrangements for succession. The Committee monitors training and development needs of all board members. It is also responsible for maintaining the Group's governance framework.

The Committee confirmed that only basic salary is pensionable and pension contribution rates for executive directors, or payments in lieu, are aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, are carefully considered by the Committee. The Committee assured itself that no contract with an executive director required a period of notice in excess of 12 months.

At its February 2023 meeting, the Committee agreed to take the lead in establishing Pfp's ESG strategy on behalf of the Group board. As part of this responsibility, the Committee committed to monitoring performance against the strategy (until permanent mechanisms were established) and in turn, provide assurance to the board that appropriate steps were being taken in pursuit of the strategy. The Committee's terms of reference were updated to reflect this new responsibility in the year, and signalled the Committee's, and the board's recognition of the importance of ESG matters.

Details of directors' emoluments are set out in note 5 to the financial statements.

AREAS OF FOCUS DURING 2022/2023

Significant Committee time was dedicated to discussing the organisation’s ambition to deliver fair pay for all. Further detail is provided below in respect of the specific decisions made in support of this ambition, which include the gender pay gap report and the CEO pay ratio report amongst others.

The Committee also reiterated its commitment to equality, diversity and inclusion and considered these aspects within its succession planning and talent mapping exercises, and across all appointment and recruitment exercises.

A more detailed look at the Committee’s activity can be found in the table below.

Topic/area of focus	Discussions held/decisions taken
Composition, succession, and evaluation	<p>Appointment of Places for People Leisure Chief Executive, May 2022</p> <p>In its duty to ensure plans are in place for orderly succession to senior management positions, the Committee oversaw the process to appoint a successor to the role of Chief Executive at Places for People Leisure. A comprehensive search process was undertaken with support from an external search agency. The Committee considered the recommendation from the interview panel and approved a candidate to the position.</p>
	<p>Non-executive director recruitment for PfP Scotland (PfPS), August – October 2022</p> <p>The Committee holds the power to approve recommendations for appointments to subsidiary statutory boards and is expected to check that a suitable process has been followed.</p> <p>An external search firm was appointed to support the recruitment process for two further appointments to the PfPS board. The PfPS board delegated the running of the recruitment process to a panel and two recommendations were made.</p> <p>The Committee considered the existing skillsets of current PfPS board members and how these would be complemented by the two recommended appointees. The appointments were approved by the Committee in October 2022.</p>
	<p>Group board Skills Matrix, November 2022 – February 2023</p> <p>The Committee requested that all Group board members re-certify their skills and experience to update the Group board Skills Matrix. Updates were made and presented back to the Committee in February 2023.</p> <p>As part of this process, members resolved that there were no immediate skills or experience gaps identified by the matrix. Members also reviewed the terms of office for all current board members and noted that there were no upcoming vacancies.</p>
	<p>Executive structure and appointments, May 2022 – February 2023</p> <p>In relation to its responsibility to keep the leadership needs of the organisation under review, the Committee considered and approved additional senior posts and appointments to existing senior posts in support of the delivery of the Group’s strategy.</p>

Topic/area of focus	Discussions held/decisions taken
Composition, succession, and evaluation	<p>Succession Planning and Talent Mapping, February 2023</p> <p>Committee members discussed the organisation’s approach to succession planning, via a comprehensive talent mapping exercise undertaken by management, covering the Executive and its Senior Leadership team.</p> <p>The Committee acknowledged and endorsed management’s intent to utilise the learnings from the exercise to develop a diverse pipeline for future senior appointments, and to support improvements in the gender balance of the Executive and its Senior Leadership team.</p>
	<p>Board member appraisals, February – May 2023</p> <p>The Committee reviewed and approved the approach to Group board appraisals, which would again include 360° feedback provided by other board members and members of senior management. Appraisals were conducted through March and April 2023.</p>
Remuneration	<p>Update on Reward Trends, the fiscal environment, reward priorities and intentions, November 2022</p> <p>Members were briefed on the Group’s reward intentions for 2023/24 in light of key indicators of the health of the UK economy and UK labour market, the forward-looking view on the likely and/or potential developments in the future and on emerging trends in reward.</p>
	<p>PfP Group’s core employment offering, November 2022</p> <p>The Committee considered the efficacy of the Group’s core employment offering and discussed on how this might be strengthened in light of the demand for talent in the marketplace during the year.</p>
	<p>Executive remuneration review for 2021/22 & 2022/23 (including bonus considerations), May 2022</p> <p>In support of the CEO’s recommendations, the Committee determined the total available bonus pot and approved its distribution to members of the senior management team including executive directors in line with individual performance and their annual appraisals for the 2021/22 financial year. In doing so, the Committee had regard to the expectations of the UK Corporate Governance code for clarity, simplicity, risk mitigation, proportionality and alignment to culture in reward arrangements. The recommendations were considered in the context of the performance of the business, the impact of the pandemic and the wider economic environment.</p> <p>The Committee reviewed and approved the executive remuneration framework for 2022/23 which was aligned to the developing business plan and the delivery of the organisation’s strategy.</p>

Topic/area of focus	Discussions held/decisions taken
Remuneration	<p>2023 Pay Award and support for staff, November 2022–February 2023</p> <p>2022/23 saw an unprecedented economic situation and resulting pressures on the cost of living for the Group's Customers and People. The topic was regularly discussed at Committee meetings and members endorsed management's actions to support Colleagues.</p> <p>As an interim measure, approved by the Committee, the Group awarded a £250 cost-of-living payment in January 2023 to all full-time Colleagues, and an amount pro rata for part time Colleagues.</p> <p>In support of its People, a differentiated pay review was approved from 1 April 2023. The approach agreed weighted a higher percentage towards lower paid Colleagues and those at the higher end of the pay framework did not receive a pay increase. This approach also allowed budget to be invested elsewhere in support of our People.</p>
	<p>Approval for change to Places Development Bonus Scheme and analysis of reward and retention trends in Developments, August 2022 – February 2023</p> <p>During the year, the Committee considered and assessed the remuneration needs of the Developments businesses within the Group. Members had acknowledged the need to ensure the overall reward package attracted and retained professional roles within the business, central to the delivery of the organisation's strategy, in a competitive external market.</p>
	<p>Review of non-executive director remuneration, May 2023</p> <p>The Committee considered the issue of remuneration for non-executive directors for Group board and subsidiaries, Pension Trustee roles and non-statutory roles. In light of the cost-of-living crisis and continued challenges for the Group's Customers and Colleagues, it was agreed that no uplift would be applied to those fees.</p>
	<p>CEO Pay Ratio Report, May 2023</p> <p>The Committee reviewed and approved the draft report for publication and this can be reviewed on page 95 of the report.</p>
Governance	<p>Board evaluation recommendations, August 2022</p> <p>The Committee agreed to adopt the majority of the recommendations from the 2022 external board evaluation. Careful consideration was given to those not adopted, and members discussed whether different mechanisms could be employed to deliver the same governance improvements.</p> <p>As an example, one of the recommendations concerned ESG matters at a board level. Having acknowledged the importance of the topic, the Committee resolved that in place of a board champion, a more suitable approach in line with the Group's strategy would be to extend the responsibility for ESG strategy and monitoring to one of the board's committees. It was agreed that this would create more effective oversight and reassert the importance of the topic. This was discussed later in the year and led to a reconfiguration of the Committee's terms of reference.</p>

Topic/area of focus	Discussions held/decisions taken
Governance	<p>Board member training programme, August 2022</p> <p>The Committee approved the 2022/23 board member training programme and reiterated its commitment to the development of Group board members. The programme had drawn together all previous conversations between board members and included topics identified in board member appraisals.</p>
	<p>Deep Dive programme for Group board members, August 2022</p> <p>The Committee discussed and approved a 'deep dive' programme for Group board members. The programme was designed to give members more time to consider topics of future strategic importance, and to meet with key stakeholders such as Colleagues, Customers and the Group's wider Communities. Topics included environmental sustainability, 'a thriving home' and 'holistic support for Customers'.</p>
	<p>National Customer Group (NCG) reports, consideration of future Customer engagement and remuneration of members August 2022 – March 2023</p> <p>The Committee continued to support the Group's commitment to its Customers and the NCG three-year development plan. It also supported the effective recruitment and retention of members representing all of PfP's Customer groups, for example, through its consideration and agreement to the proposal to remunerate National Customer Group (NCG) and Regional Customer Group (RCG) members.</p>
	<p>Equality, Diversity & Inclusion (EDI) Policy Review, November 2022</p> <p>The Committee reviewed the policy as part of the cyclical review programme, and were supportive of the proposed approach and actions outlined in the paper to make improvements across the Group. The Committee discussed the importance of the subject matter to the Group's strategy, in particular, in relation to its ambitions for its workforce to reflect the Communities in which it serves.</p> <p>The Committee approved a set of minimum standards for the Group's policy on EDI, taking into account that there had previously been differences in approach between separate group companies. Through this review, the Committee sponsored into the business a set of clear principles that will underpin the colleague experience; this included the management of potential risks such as discrimination and the Group's response to these issues but also the criticality of diversity and inclusion to the talent strategy and to building of the future culture.</p> <p>The Committee also supported the proposal of a deep dive exercise on the topic and for this to be shared with the Committee in due course, to assess the effectiveness of the policy's implementation.</p>

Topic/area of focus	Discussions held/decisions taken
Governance	<p>Gender Pay Gap Report 2023, February 2023</p> <p>Members reviewed the report, noted improvements on the prior year and endorsed the recommended action plan.</p>
	<p>Big Colleague Survey & Results, November 2022 & February 2023</p> <p>Committee members welcomed the improved participation rate of 90.3% and 69% trust index score, both of which had improved by 2% since the previous survey. Members also discussed the early iterations of the resulting action plans. Further information can be found on page 35.</p>
	<p>Board evaluation and committee effectiveness 2023, February – May 2023</p> <p>Following the externally facilitated review conducted and concluded earlier in 2022 and the consideration and adoption of its recommendations, the Committee agreed to commission a formal and rigorous internal self-assessment of the board and Committee's performance for 2022/23. The Committee scoped and agreed the assessment framework and retained oversight of the process.</p>
	<p>Group Policies Review, May 2022 – February 2023</p> <p>In addition to the review of the EDI policy, the Committee reviewed other key Group policies as part of its cyclical review programme. Topics covered included flexible working arrangements and conduct and capability management.</p>
	<p>Annual review of changes to UK Corporate Governance Code, November 2022 and suitability of governance code compliance toolkit, February 2023</p> <p>The Committee considered the report on the required governance reporting standards for the current financial year 2022/23 and also noted the update on the corporate reporting landscape for 2023/24 and beyond.</p>
Committee Governance	<p>Annual review of changes to governance standards set by Regulator of Social Housing and Scottish Housing Regulator, February 2023</p> <p>The Committee considered forthcoming changes to regulatory standards, a briefing on the Social Housing (Regulation) Bill 2022, and received confirmation that Group remains compliant.</p>
	<p>Review of Committee Terms of Reference, February 2023</p> <p>The Committee fulfilled its requirement to review its terms of reference and to review its plan of work. Its terms of reference were amended to reflect the Committee's additional ESG related responsibilities.</p>

Specialist advisory services were provided by Alvarez & Marsal, PSD Group, and FPB Park and none have a connection with any board or committee members within the Group.

CHIEF EXECUTIVE OFFICER PAY RATIO

Chief Executive Officer ("CEO") Pay Ratios are considered by the Group's Remuneration & Nominations Committee ("the Committee"). The Committee notes that the Group is under no obligation to report on its CEO Pay Ratios. However, it believes that pay transparency and governance is an important principle and therefore wishes to go 'above and beyond' the basic disclosure requirements for the Group. This is consistent with the Group's approach to matters of broader corporate governance.

The table below compares the 2022/23 total pay and benefits for the Group's CEO with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population.

Year ending	Method	25th Percentile	50th Percentile	75th Percentile
March 2022	Option B	25.1	19:1	14.1

The remuneration figures for the employee at each quartile were determined with reference to the financial year ended 31 March 2023.

Option B was used to calculate these figures. The Committee believes that this approach provides a fair representation of the Group CEO to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints and complexities. Under this option, the latest available gender pay gap data (i.e., that from April 2022) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the identified employees reflect the best equivalents for each quartile.

A full-time equivalent total pay and benefits figure for the 2022/23 financial year was then calculated for each of those employees. The pay ratios outlined above were then calculated as the ratio of the aggregated Group CEO's total pay and benefits to each of these employees.

Each employee's total pay and benefits were calculated using the single figure methodology applicable to listed companies, except for bonuses where the amount paid during the year was used instead of that earned during the year. Periods where employees were on leave at less than 100% of their normal pay were excluded from the calculations. Small adjustments were made to the total pay and benefits figures to allow for the up-rating of pay elements where appropriate to achieve full-time and full-year equivalent values. No components of pay have been omitted.

This year no special consideration was needed in respect of Colleagues being placed on paid furlough, but consideration was given for other periods of leave where pay was reduced. The way 'pay of employees on leave' is treated for the purposes of the CEO pay ratio calculations is primarily a matter for individual companies permitted by the Regulations. This approach is consistent with that taken last year.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

Year	25th Percentile	50th Percentile	75th Percentile
Salary	£21,511	£30,365	£38,255
Total Pay and Benefits	£24,720	£32,353	£44,368

The individual at the 50th Percentile is a Business Analyst that works in our subsidiary business RMG. The Group is a large and diverse organisation, the vast majority of headcount sits within the Leisure Management and Affordable Housing sector businesses.

The Committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of both the CEO and the identified employee. Large parts of the Group's operations are in sectors where remuneration primarily consists of a market competitive salary, a pension contribution and a selection of voluntary benefits. Broader elements of remuneration, in the form of bonuses/incentives, allowances and other benefits are less typical across the majority of the Group's Colleagues, with the highest bonuses payable to Management and Senior Management roles. The Colleagues identified at the 50th percentile, however, was in receipt of a small bonus in the 2022/23 financial period, awarded in recognition and support of the cost-of-living crisis. Pension benefits make up the remainder of the total pay and benefits for the colleague at the 50th percentile. The Group is committed to offering its employees a competitive remuneration package. Remuneration for employees, including Executive Directors, is determined with reference to a range of factors including (but not limited to) job banding, market practice, geography and sector. Due to the nature of their roles, the Group CEOs' remuneration package has higher weighting on performance-related pay compared to the majority of the workforce. This means the pay ratios are likely to fluctuate depending on the determination of the Group CEO's bonus in each year.

The Committee also recognises that, due to the nature of the Group's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, the ratios reported above may not be comparable to those reported by other companies.

Previous years' CEO Pay Ratios are shown below. The reasons for the change in the ratios from the year ending March 2022 to March 2023 include: a change in the value of the total pay and benefits for the employees identified at the relevant percentiles and a change in the CEO total remuneration package.

Year ending	Method	25th Percentile	50th Percentile	75th Percentile
March 2023	Option B	25:1	19:1	14:1
March 2022	Option B	24:1	18:1	14:1
March 2021	Option B	23:1	19:1	13:1
March 2020	Option B	29:1	22:1	14:1

Development Committee

The committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Development Committee from 1 April 2022 to 31 March 2023 were:

- **G Kitchen (chair)**
- **A Daniel**
- **H Fridell (until 30 June 2022)**
- **R Gregory (until 7 September 2022)**
- **M Dunn (from 7 September 2022)**
- **N Hopkins (until 30 September 2022)**

supported by members of management.

REMIT

The Development Committee monitors delivery of projects, approves new projects and amendments to existing projects within certain delegated limits and scrutinises and helps management refine and recommend to the Group board proposals for new projects falling outside those limits. Management keeps the committee informed through scheduled committee meetings of emerging opportunities that merit detailed examination.

The committee acts as a sounding board and critical friend that supports and challenges by bringing an informed, external perspective. If management presents any opportunity that requires Group board approval, the committee will review it and seek to become satisfied with any ensuing proposal so that it can be presented to the Group board as having the committee's endorsement. The Development Committee has operated within the parameters of its terms of reference throughout the year.

Pensions Working Party

The Pensions Working Party carries out its duties as detailed below for the parent company and the Group as a whole.

The members of the Pensions Working Party during the financial year were:

- **R Gregory (chair)**
- **G Waddell**
- **N Hopkins (until 30 September 2022)**
- **G Kitchen**
- **M Dunn**

supported by members of management.

REMIT

The Pensions Working Party, which is a formally constituted committee of the Group board, addresses material pensions projects and makes recommendations to the Group board on appropriate courses of action. Most of the defined benefit pension cost and risk across the Group rests with subsidiaries involved in social and Affordable Housing provision. During the year, the Group board further resolved to establish a new working party, the Pensions Management Party, the members of which are drawn from the senior management team. It is tasked with preparing proposals on pensions-related matters and with pursuing courses of action on pensions matters in accordance with decisions taken by the Group board or the Pensions Working Party.

Ventures board

Places for People Ventures Limited is a direct subsidiary of the Group parent. It is a senior company within the Group structure that is not involved with Affordable Housing provision.

The company has a controlling interest in a number of subsidiaries within the Group's non-social housing regulated businesses. To ensure that the non-social housing regulated businesses receive similar levels of scrutiny to that of the social housing regulated businesses, the Ventures board comprises the same membership as that of the Group board.

It monitors operational and financial performance on a consolidated basis against the prevailing business plan. Paying special regard to value creation/preservation where 'value' may be measured in several ways including profitability leading to dividend, capital growth, social impact and the enhancement of the Group's wider placemaking activity.

Board meetings provide board members with the opportunity to constructively challenge the individual operating companies as to performance levels and also provide an opportunity to monitor the performance of any joint ventures or investments made by the non-social housing regulated businesses.

The Ventures board meetings are used in conjunction with Group board meetings to hear from the senior management team.



Attendance at board & committee meetings

Directors' attendance at board and committee/working party meetings, in relation to the number of meetings held, during the year that ended 31 March 2023 is set out in the following table.

Board member	Group board	Audit & Risk Committee	Remuneration & Nominations Committee	Treasury Committee	Development Committee	Pensions Working Party	Places for People Ventures Limited
Greg Reed	7/7	N/A	N/A	N/A	N/A	5/5	4/4
Richard Gregory	7/7	N/A	7/7	4/4	1/2	4/5	4/4
Angela Daniel	7/7	6/6	6/7	N/A	4/4	N/A	4/4
Regina Finn	6/7	6/6	6/7	N/A	N/A	N/A	4/4
Nigel Hopkins¹	3/3	4/4	N/A	N/A	1/2	3/3	2/2
Graham Kitchen	7/7	5/6	N/A	4/4	4/4	3/5	4/4
Graham Waddell	7/7	5/6	7/7	4/4	N/A	5/5	4/4
Debi Marriott-Lavery²	2/2	N/A	N/A	N/A	N/A	N/A	1/1
Scott Black	7/7	N/A	N/A	N/A	N/A	N/A	4/4
Tim Weightman³	3/3	N/A	N/A	N/A	N/A	N/A	2/2
Andy Winstanley	7/7	N/A	N/A	N/A	N/A	4/5	4/4
Richard Cartwright	7/7	N/A	5/7	4/4	N/A	N/A	4/4
Mike Dunn	7/7	6/6	N/A	N/A	2/2	4/5	4/4
Helen Fridell⁴	1/1	N/A	2/2	N/A	1/1	N/A	0/1

¹ Resigned from the board 30 September 2022

² Resigned from the board 06 August 2022

³ Resigned from the board 08 September 2022

⁴ Resigned from the board 30 June 2022

Board evaluation (internal)

In line with the UK Corporate Governance Code and as a matter of good practice and its commitment to excellence, the Group board conducts an annual evaluation of its performance. Following an external evaluation of its performance last year, the Group board undertook to complete an internal evaluation for the financial year ended 31 March 2023. Group board members were invited to complete individual surveys that canvassed opinion on the performance of both the Group board and any committees they attend. The comments were reviewed and distilled and presented to each of the committees. Working with the committee chairs action plans will be developed to deliver any proposed recommendations. The Group board received the full suite of board and committee evaluation results at its meeting on 6 September 2023 and taking into account decisions reached at committee meetings and further taking a recommendation from the Remuneration & Nominations Committee as regards its own efficacy, Group board members concluded that the board and its committees had operated effectively during the financial year 2022/23.

As the boards of Places for People Homes Limited and Places for People Living+ Limited meet at the same time as and have identical membership to the Group board, this review is taken to apply to those boards also. This is relevant for compliance with the UK Corporate Governance Code, as for the 2022/23 financial year it constituted a significant part of the annual review of board effectiveness.

In addition to the internal board evaluation, the Group Chair has carried out appraisal meetings with each board member (and the Senior Independent Director has carried out an appraisal of the Group Chair) following the end of the financial year. 360-degree feedback was sought from board members and members of the senior management team. This feedback formed part of discussions which generated agreed objectives for each board member.

Governance provisions

UK CORPORATE GOVERNANCE CODE

The Group parent is a company limited by guarantee and does not issue shares or have external shareholders in the sense contemplated by the Code. It addresses the need for scrutiny and evaluation through the board or an appropriate committee of the board and it engages with investors directly through a mix of investor seminars/roadshows. Management's interests are aligned with the company's through the performance-related reward policy.

Group considers it has complied with the UK Corporate Governance Code (the Code) (2018 version) except for Code provisions detailed opposite:

Provision not complied with	Explanation
3	<ul style="list-style-type: none"> - This provision is not directly applicable as the parent company is limited by guarantee and does not have external shareholders. - Lenders and investors form an external stakeholder Community. The Group has dialogue with this Community through the Chief Financial Officer who reports to the Group board. - An Investors' Seminar is held annually and attended by Group board directors and senior management. The Chief Financial Officer and the Tax & Treasury Director also regularly attend investor roadshows. In addition, engagement with ratings agencies leads to the dissemination of the views of those agencies on a wide range of governance and performance matters that are of interest to stakeholders. In 2022/23, the Investors Seminar took place in London and was well attended by both lenders/investors and non-executive directors, enabling the non-executive directors to understand their views.
4	<ul style="list-style-type: none"> - The process described in Provision 4 is not relevant as there are no external shareholders involved.
5 (aspects of this provision)	<ul style="list-style-type: none"> - Part of provision 5 prescribes the options for workforce engagement. The board has concluded that its methods for engagement are effective and more suited to the Group's needs than those prescribed in provision 5. See page 105 for further detail.
18	<ul style="list-style-type: none"> - The parent company is limited by guarantee and as such its members (akin to shareholders) are its non-executive directors. - Non-executives are recruited on initial fixed terms of no more than 4 years. - Consideration for reappointment is carried out on the basis of Chair appraisals over the period of the term of office to date, the Remuneration & Nominations Committee's review of the needs of the board and the approval of the board for any proposed re-appointment. - These mechanisms are considered suitable for the proper governance and effective operation of the Group.
36	<ul style="list-style-type: none"> - Provision 36 encourages the alignment of company and management interests through long-term shareholdings. - The Group parent is limited by guarantee and so reward schemes at Group level are not designed in a way that promotes long-term shareholdings by executive directors. - The Group's fund management business, PFP Capital Limited, operated an LTIP during the year, such arrangements being considered common within this field of activity. The board and remuneration committee of PFP Capital Limited took advice from Deloitte on the design and operation of the LTIP.

Regulator engagement

There is engagement throughout the year with the relevant regulators of the Affordable Housing providers: the Regulator of Social Housing (RoSH) in England and the Scottish Housing Regulator (SHR).

Mechanisms for engagement include quarterly and annual data submissions, management meetings with regulator representatives, engagement with non-executives and in the case of the SHR, annual attendance at board meetings of Castle Rock Edinvar Housing Association Limited. Following its annual risk assessment of social landlords, the SHR confirmed that it proposed no changes to its level of engagement with Castle Rock Edinvar Housing Association Limited nor to its information requirements of the association.

During the year, the RoSH downgraded a number of housing associations' financial viability ratings, including that of the Group, to V2, citing the impact of rising inflation coupled with investment in improving existing stock. The Group's current governance rating of G1 remains unchanged.

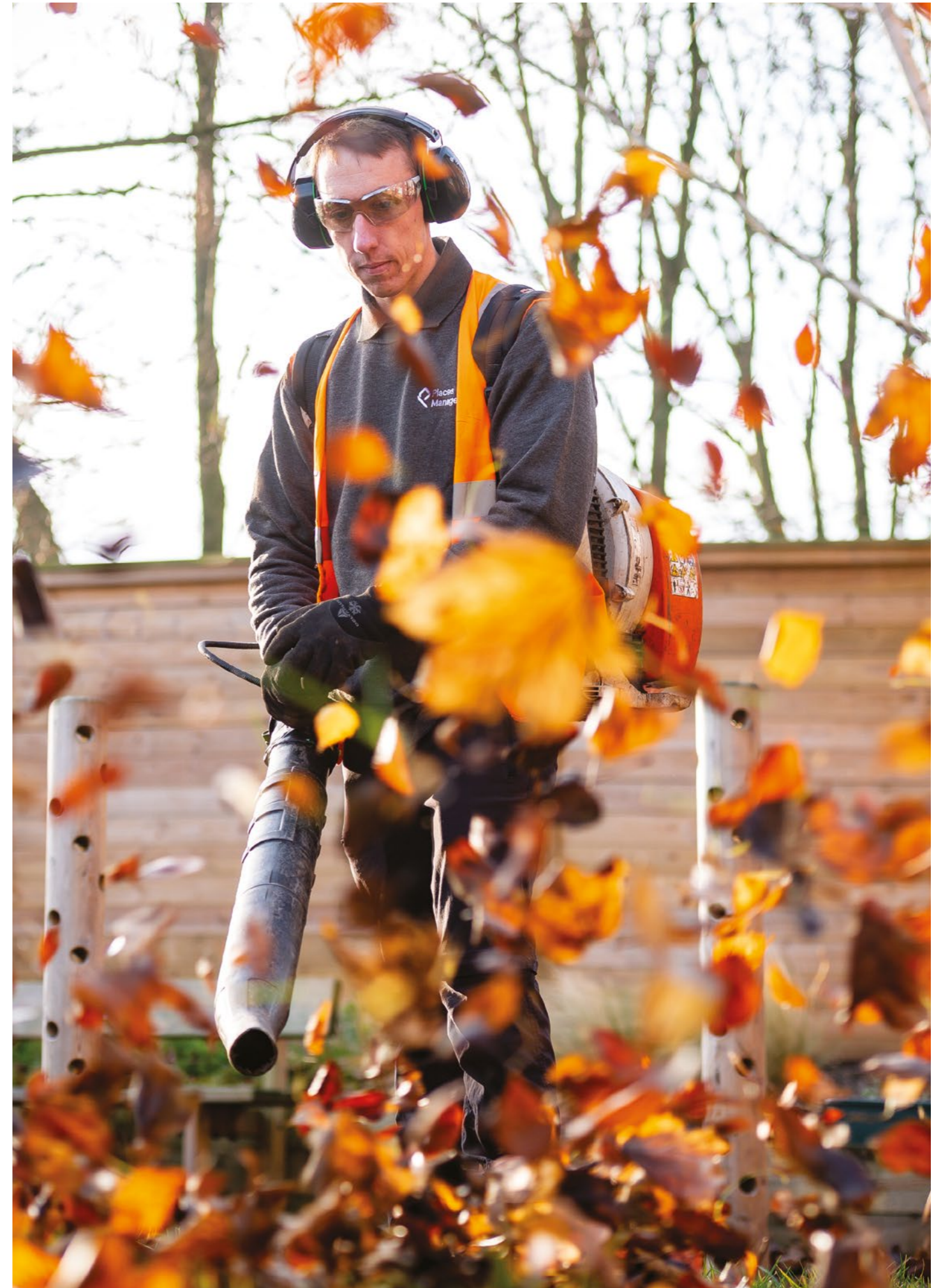
Subsidiary boards

Places for People subsidiaries have governance arrangements appropriate to their size and field of activity. These governance arrangements feed into the Group's overall governance structure.

Places for People Homes Limited, Places for People Living+ Limited and Castle Rock Edinvar Housing Association Limited have all adopted the UK Corporate Governance Code as its governing code.

Compliance with the Governance and Financial Viability Standard issued by the Regulator of Social Housing

The Group board has confirmed that an assessment of the Group's compliance with the Governance and Financial Viability Standard has been completed and certifies that the Group is compliant with the Standard.



Directors' report

DIRECTORS

A comprehensive list of the directors who served during the year and to the date of signing are listed on page 99.

DISCLOSURES PROVIDED IN THE STRATEGIC REPORT

Future developments which may impact on the Group are described throughout the Strategic Report. Our approach to research and innovation is referenced within the Principal Risks and Uncertainties section of the Strategic Report. Our approach towards continued engagement with our suppliers, Customers and other stakeholders is summarised within our Section 172(1) statement.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The Group's corporate governance arrangements are described on pages 100 to 101 of the Governance Report. In accordance with the requirements of our regulators we report our corporate governance arrangements against the UK Corporate Governance Code (2018 version).

Details of the Group's exposure to risk and objectives and policies in relation to financial instruments can be found in note 24 to the financial statements.

DISCLOSURE CONCERNING EMPLOYMENT OF PERSONS WITH A DISABILITY

The Group's recruitment policy incorporates a fair commitment to a "disability confident" approach. All candidates who declare a disability and who meet the minimum essential criteria for the role will be short listed and guaranteed an interview. Managers also receive training and guidance on how to apply reasonable adjustments during the recruitment process, to ensure candidates with a disability are given full opportunity to demonstrate their skills and ability. The organisation takes appropriate steps to support those Colleagues who become disabled during their employment, including the support of specialist occupational health advice for Colleagues with underlying health conditions and additional training where this may be appropriate.

ENGAGEMENT WITH EMPLOYEES

The Group utilises a range of different channels to ensure our People are kept informed of key information relating to our business plans and performance, our Customers and our plans for change. This includes using a blend of face-to-face events, virtual/online meetings and written communications, alongside the "Our Place" intranet. The organisation has embedded Viva Engage, a social media platform which enables Colleagues to interact more directly with both senior leaders and each other. The usage of this platform, across a geographically dispersed business, has grown to include all areas of the Group.

During April 2023, a new Places Management Colleague magazine was launched and aimed to reach our frontline People who are out in our Communities interacting with our Customers every day. The magazine, published every two months, will be jam-packed with quality content such as Customer and Colleague stories. It'll be a crucial channel for driving cultural change by making sure that our key messages about our purpose, strategy and People Promises, reach those Colleagues who have limited opportunity to access our other channels. The magazine will be printed on recycled paper inside a potato starch / recyclable mailing pouch.

Colleagues are consulted through both the relationship with UNISON as a recognised trade union in relevant parts of the organisation, and also through informal Colleague voice forums. Each year the Group undertakes a colleague survey across everyone working for Places for People, in conjunction with Great Place to Work — this measures a range of different factors and provides valuable information to inform decision making, both in terms of the Colleague offer and issues more broadly. Other examples of how we have engaged with our employees and taken account of their interests during the year are also referenced throughout the Strategic Report and evidenced by the work undertaken by the Remuneration & Nominations Committee.

Streamlined Energy and Carbon Reporting (SECR)

We address our environment sustainability strategy and relevant risk mitigation in the Risk Management and Assurance section of this report, on pages 71. Below we provide our SECR disclosures.

Scope	2022/23			2021/22			YOY% change		
	kWh	tCO ₂ e loc.	tCO ₂ e mar.	kWh	tCO ₂ e loc.	tCO ₂ e mar.	kWh	tCO ₂ e loc.	tCO ₂ e mar.
1	177,564,614	36,580	36,580	204,270,593	38,772	38,772	-13%	-6%	-6%
2	48,386,296	9,360	8,500	63,808,882	13,549	9,277	-24%	-31%	-8%
3	2,447,168	604	604	2,118,059	521	521	16%	16%	16%
Total	228,398,078	46,544	45,684	270,197,534	52,842	48,570	-15.5%	-11.9%	-5.9%

Scope 1 — Combustion of gas, Purchase of fuel, Business travel in Company Cars and in-house fleet

Scope 2 — Purchased electricity inc. electric vehicles

Scope 3 — Business travel in rental cars or employee-owned vehicles

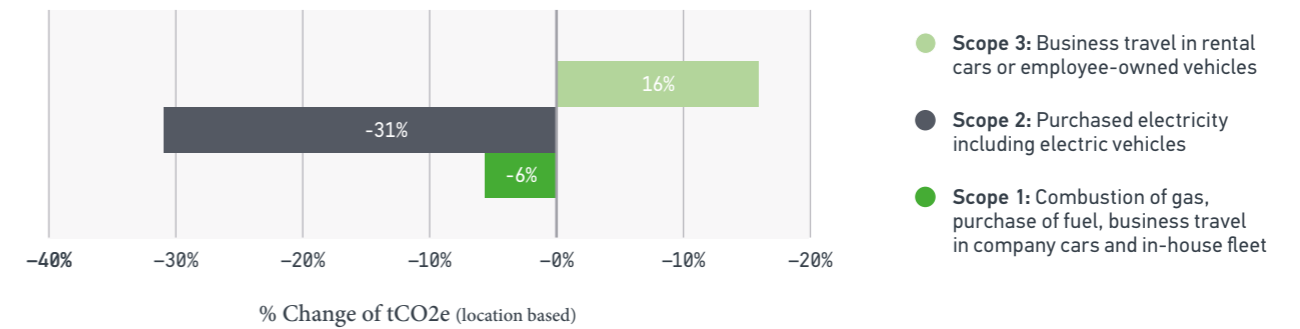
Abbreviations: loc. – location-based reporting / mar.- market-based reporting / YOY – year on year

Self-generation — figures are for the Leisure businesses only

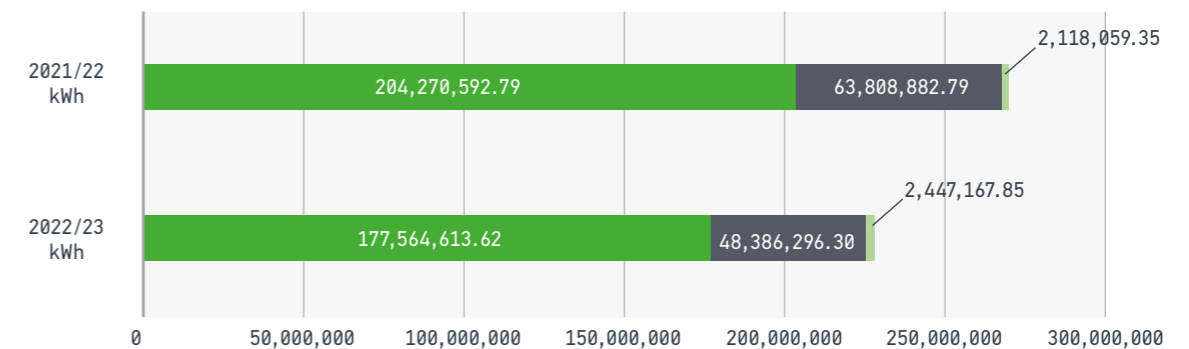
Places for People Leisure (Self-generation, SG)	2022/23		2021/22		YOY% change	
	kWh	tCO ₂ e saving	kWh	tCO ₂ e saving	kWh	tCO ₂ e saving
SG Electricity	7,153,692	1,309	5,789,852	1,229	23.6%	6.5%
Total	7,153,692.00	1,309.27	5,789,852	1,229	23.6%	6.5%

Intensity metrics*	2022/23		2021/22		YOY% change loc.	
	Loc.	Mar.	Loc.	Mar.	Loc.	Mar.
tCO ₂ e per £m turnover	49.65	48.73	55.54	51.05	-10.6%	-4.6%
tCO ₂ e per employee	7.23	7.09	10.01	9.20	-38.5%	-22.9%

PLACES FOR PEOPLE YOY EMISSIONS CHANGES (2022/23 VS 2021/22)



PLACES FOR PEOPLE GROUP TOTAL GREENHOUSE GAS EMISSIONS



REPORTING SCOPE

The reporting period is 1 April 2022 to 31 March 2023, which is directly aligned to the Group's financial reporting year. The report includes a consolidation of all Group companies captured by the SECR requirements. Those continuing to be captured by the requirements are: Places for People Group, Places for People Homes, Places for People Living Plus, Places for People Developments, Places for People Landscapes, Cotman Housing, Derwent Housing Association, Chorus Homes, Castle Rock Edinvar Housing Association, ZeroC Holdings, Places for People Leisure and Residential Management Group Limited. Allenbuild no longer meets the criteria for SECR reporting due to decreased staff numbers and turnover whilst Millwood was sold in January 2023.

This year market-based as well as location-based reporting methodology was used; market-based emissions were utilised for Places for People Leisure. In addition, generation from onsite combined heat and power (CHP) plant and solar photovoltaic power has been included voluntarily for our Leisure business. No F-Gas consumption has been used or recorded.

INTENSITY RATIOS

We have opted to utilise two intensity ratios: turnover and FTE. These measurements have been selected in order to compare emissions with company growth and for consistency with similarly reporting businesses for review of the market position.

EXCLUSIONS

All mandatory fuels have been included with no exclusions.

The electricity and heat generation from the onsite CHP plants within our Leisure facilities have been accounted for separately to the main scopes, the input fuel is grid natural gas and this is included in Scope 1.

Scope 2 purchased electricity does not include the transmission and distribution element as this is owned by the supplier and would be Scope 3.

YEAR ON YEAR EMISSIONS CHANGES

Estimations	2022/23	2021/22	2020/21	YOY% change 2022/23 vs 2021/22	YOY% change 2021/22 vs 2020/21
kWh	228,398,078	270,197,534	233,736,812	-15.5%	15.6%
tCO2e loc.	46,544	52,842	46,656	-11.9%	13.26%
tCO2e mar.	45,684	48,570	Not estimated	-5.9%	n/a

As shown by the figures above, year on year emissions changes have broadly reduced against 2021/2022 figures. An overall reduction of 11.9% in carbon emissions across scopes was achieved which can be largely attributed to a reduction in electricity consumption following successful energy campaigns particularly across our leisure centres, alongside increasing self-generated power. Site fuel consumption at our developments have likewise decreased as Allenbuild and Millwood are no longer captured within the data.

EMISSION FACTORS AND METHODOLOGY

Fuel type	Emissions conversion factor source
UK electricity — location based (excluding transmission and distribution), UK gas, petrol, diesel, hybrid, gas oil	Department for Business, Energy and Industrial Strategy 2022'

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance'. We have utilised the Energy Savings Opportunity Scheme methodology.

ENERGY EFFICIENCY STATEMENT

Energy efficiency improvements across our offices and leisure centres continue to be a focus in reducing the group environmental impact. In particular, there is a focus on initiating behaviour change amongst our Customers and Colleagues. A summary of actions is presented below.

Corporate

Workplace Solutions applied an energy saving drive over the winter months including advice in offices and a poster campaign explaining the adjustment in workplace temperatures to reduce overall energy consumption. Asset workplace records are being updated via detailed surveys to generate property lifecycle reports. These reports will be used to create action plans to target specific building elements for energy improvement including:

- Air leakage
- Insulation and Thermal efficiency
- Heating, Ventilation & Air Conditioning systems
- Gas & oil heating installations
- Property EPC Ratings

Leeds

- The Stanley House Leeds building refurbishment project received a BREEAM award of 'Very Good' recognising energy efficiency improvements and the positive environmental impact.

York

The York office commenced a full office refurbishment targeting energy efficiency improvements including:

- Increasing Building Roof Insulation
- Improvements to onsite LPHW heating system
- Upgrading all air conditioning to latest models for increased energy efficiency and reduced F gas impacts
- Renewing all existing lighting to be LED
- Installing internal secondary glazing to improve thermal and acoustic performance
- Improve the overall building EPC rating

London

The London office has scheduled improvements in the building energy performance including:

- Measurement of the 'true' carbon footprint in the London Gray's Inn Road office using external consultants to identify carbon reduction opportunities.
- Engagement with building management system contractors to improve data capture and facilitate further reduction opportunities.

Places for People Leisure

Centre specific objectives and targets:

- Reduction of 17% on gas and electricity compared to pre-pandemic 2019 levels
- Colleague miles travelled reduced by 50% compared to pre-pandemic 2019 levels
- Focus on colleague and Customer energy usage through Responsible Use awareness campaigns and tips on how to save money through reducing energy consumption at home.
- Initiation of a 'Champions League' competition across leisure centres comparing energy reductions
- Fresh air used for cooling rather than mechanical air conditioning
- Solar PV to be installed at several leisure centres

MODERN SLAVERY ACT

The Group is completely opposed to human trafficking and modern slavery practices. The Group publishes an annual statement to comply with the Modern Slavery Act 2015. We have introduced several tools to help mitigate and prevent human trafficking and modern slavery practices within the Group and its supply chain. A confidential reporting line is accessible to all Colleagues (employees, workers, consultants, agency and self-employed contractors). This reporting line provides a further route for grievances or whistleblowing complaints to be raised. These complaints can be raised anonymously.

We also carry out right to work checks in order to adhere to our obligation to prevent illegal working. To enhance our message around equality, diversity and zero-tolerance of harassment or discrimination, we have also launched policies including the Respect Policy, Sustainable Procurement Policy and the Health and Wellbeing Policy.

In-person audits, restricted by the coronavirus pandemic, have now been reinstated and are carried out by members of the Group's procurement team. With over 4,000 suppliers this will always be an iterative and ongoing process. Our continued work with Unseen, cements the partnering ethos between the organisations that will encourage the work we do on modern slavery to be delivered in a proactive way that challenges the Group and our supply chain.

While we acknowledge that there are difficulties in controlling the position, particularly within the Group's supply chain, we are committed to working with our suppliers to help mitigate such practices from taking place within any part of the business. The latest iteration of the Group's statement is published via a link on the homepage of our website and has also been added to the Government's modern slavery statement registry. The statement has been adopted by the Group and each of our subsidiaries that are required to make a statement pursuant to the Modern Slavery Act 2015, as set out in the statement.

IMPORTANT EVENTS AFFECTING THE COMPANY SINCE THE FINANCIAL YEAR END

There have been no such events since the financial year end.

Going concern & viability statements

The Group produces a strategic business plan each year. This process includes review and challenge by the board, alongside consideration of principal risks and uncertainties. When the business plan is approved it is then used as the basis for monitoring business performance and providing guidance for our external stakeholders, including regulators and investors.

The Group robustly assesses both its risks and mitigating actions through the use of a comprehensive risk mapping process. Principal risks and uncertainties are set out on pages 67-71 of the Strategic Report.

GOING CONCERN

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Group is faced with the need to address the consequences of sequence of severe and ongoing macroeconomic shocks over the past three years, including from Brexit, Covid-19, and resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Groups business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2023 the Group had cash and undrawn facilities of [£806m]. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

VIABILITY

The Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment.

The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten.

Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

For the purposes of both Viability and Going Concern, an annual Stress Testing exercise is undertaken as part of the Business Planning process to assess the financial strength and robustness of the Group's plan. Using the ten year business plan, it aims to identify the circumstances which would push the Group to breaking point and the options available to mitigate such circumstances and ensure the Group meets all of its key financial metrics and loan covenants. The tests applied include amongst others, rent restrictions, housing market downturn, high inflation rates and sustained high interest rates. They show that with appropriate mitigations applied, the Group is able to meet all external loan covenants, even in the most extreme circumstances modelled.

The board continuously monitor changes in internal and external indicators which could suggest that there is an increased risk of the stress test scenarios arising. These "stress test triggers" are an early warning mechanism enabling decisions to be made in relation to the potential deployment of mitigations.

On the basis of these assessments, the board is confident that the Group will remain financially viable for the three year period covered by this statement and beyond.

DIRECTORS' INDEMNIFICATION

Throughout the year, the Group has maintained directors' and officers' insurance cover.

POLITICAL DONATIONS

The Group made no political donations during the year (2022: nil).

DIRECTORS' STATEMENT OF DISCLOSURE TO THE AUDITORS (S418)

At the time of approval of this report:

- So far as the directors are aware, there is no relevant audit information of which the Group's auditor is unaware.
- The directors have taken all steps that they are required to take as directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 22 November 2023.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the governance report and the financial statements in accordance with applicable law, and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards (UK Generally Accepted Accounting Practice), including FRS 102 — the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern — use the going concern basis of accounting unless they intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors consider the report and accounts, taken as a whole, to be fair, balanced and understandable. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Report was approved on 25 September by order of the board



Kate Alsop
Group Company Secretary
25 September 2023




**FINANCIAL
STATEMENTS**

Independent auditor's report

For the year ending 31 March 2023

To the members of Places for People Group Limited

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Places for People Group Limited. For the purposes of the table on pages 117 to 120 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The “Group” or the “Group and Company” is defined as Places for People Group Limited. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Opinion

We have audited the financial statements of Places for People Group Limited for the year ended 31 March 2023. The financial statements that we have audited comprise:

- the Consolidated Statement of Comprehensive Income
- the Company Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Company Statement of Financial Position
- the Consolidated Statement of Changes in Reserves
- the Consolidated Statement of Cash Flows
- Notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 March 2023 and of the Group's profit and Company's result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Our opinion is consistent with our reporting to the Audit & Risk Committee.

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 ethical responsibilities in accordance with those 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 Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Undertaking an assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern.
- The consideration of inherent risks to the Group and Company's operations and specifically its business model.
- The evaluation of how those risks might impact on the Company's available financial resources.
- Making enquires of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Company's future financial performance.
- The evaluation of stress scenarios, in respect of the Group, and the respective sensitivities and rationale.
- The availability of undrawn facilities.
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company'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 directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

For the year ending 31 March 2023

Overview of our audit approach

Scope Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Materiality	2023	2022
Group	£16.6m	£16.7m 2% (2022: 2%) of group revenue
Company	£1,385,000	£875,000 2% (2022: 2%) of company revenue

Key audit matters

- Recurring**
- Recoverable amount of development programmes schemes and associated land
 - Value of defined benefit pension scheme obligations
 - Fraud risk from revenue recognition in the parent company

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report

For the year ending 31 March 2023

Recoverable amount of development programmes schemes and associated land

Key audit matter description

The Group has considerable development programmes in place, incorporating a variety of types of property for sale and rental. As at 31 March 2023, Places for People Group Limited holds £383.1m (2022: £416.1m) of stock.

The schemes require a significant amount of judgment to assess the recoverability of each site, and impairment risks that may be associated with them. Key judgements include:

Valuation of recoverable amount

The group develops a significant amount of housing projects, both for re-sale and for rent. The recoverability of these projects could be affected by both external, which include the impact of the cost-of-living crisis and internal factors. The group has an appraisal process which assesses the recoverability of these developments.

Appropriateness of allocated costs

The group capitalises salaries and overheads at a fixed rate, based on budgeted costs. There is a risk that the budgeted costs are inaccurate.

Interpretation of contractual arrangements

The group contracts external suppliers for some of their developments. There is a risk that complex elements of the contractual arrangement are inaccurately recognised.

How the scope of our audit responded to the key audit matter

Our audit procedures included:

Valuation of recoverable amount

We have reviewed the impairment process and underlying data which is used to determine the current stock carrying values to determine whether the figures are consistent and reasonable.

We have benchmarked key valuation assumptions including market demand, margins and interest rates to external data sources.

We have considered a sample of post year-end sales for possible changes in assumptions in respect of margins or depression of demand.

Appropriateness of allocated costs

We performed substantive procedures to corroborate the valid and accurate recognition of associated costs by selecting a sample of projects and agreeing components of cost back to the original source documents and contractual terms to confirm that this cost had been incurred and was approved for payment.

Interpretation of contractual arrangements

We have reviewed contractual arrangements on a sample basis for each sub-project to assess the accurate interpretation and application of the contractual terms.

Key observations

Based on our audit work performed, we are satisfied that the recoverable amount of development programmes schemes and associated land has been determined on a reasonable basis.

Independent auditor's report

For the year ending 31 March 2023

Value of defined benefit pension scheme obligations

Key audit matter description

The group is a member of a number of defined benefit pension schemes. The schemes are material to the group and the valuations of the gross pension scheme obligations are subject to significant judgement and estimates.

The group's membership of the People for Places Group Retirement Scheme represents £173.6m of the group's £239.0m gross pension scheme obligations (2022: £236.7m of £358.9m).

The assumptions used in the Places for People Group Retirement Scheme are of significance as there is a heightened risk that if inappropriate actuarial assumptions are used there will be material misstatement in the financial statements.

How the scope of our audit responded to the key audit matter

We assessed the competence, capability, objectivity and independence of the pension scheme's Actuary.

We have obtained the actuarial reports and engaged our own expert to benchmark the key assumptions on discount rate, inflation rate, life expectancy. We have challenged the assumptions of the pension scheme's actuary in relation to inputs that may have a material effect on the liability obligations

We considered the adequacy of the disclosures in respect of the sensitivity of the net obligations of the pension scheme.

Key observations

Based on our audit work performed, we are satisfied that the actuarial assumptions applied to the Places for People Retirement Scheme are reasonable and related sensitivity disclosures are adequate.

Independent auditor's report

For the year ending 31 March 2023

Fraud risk from revenue recognition in the parent company

Key audit matter description	<p>Places for People Group Limited has standalone revenues of £69.6m (2022: £56.5m).</p> <p>Places for People Group Ltd is the holding entity for the group and incurs certain costs in respect of the administration of the group as well as on behalf of a number of the subsidiary entities.</p> <p>The company recharges these costs to the other group entities using an agreed process and these recharges are the basis for the parent company's income and largely defines the company's financial results for the period.</p> <p>Any misstatement in the measurement and recognition of key elements of the rechargeable expenditure can have a material impact on the Company's results for the period.</p>
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How the scope of our audit responded to the key audit matter	<p>We have undertaken a fully substantive approach to the audit of the parent company's expenditure. Our procedures included:</p> <ul style="list-style-type: none"> Review of overhead costs incurred by testing a sample to ensure the costs had been recorded completely and accurately. We then compared the movement year on year to determine the cost base. Review of parent company recharge income by testing a sample to determine the recharge income had been recorded accurately and had been applied to relevant costs.
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Key observations	Based on our audit work performed, we are satisfied that parent company revenue has been recognised in accordance with the agreed recharge process.
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Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Company was set at £1,387k (2022: £875k) which was determined on the basis of 2% (2022: 2%) of the Company's turnover. This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Company was set at £970k (2022: £656.5k) which represents 70% (2022: 75%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits

We agreed to report any corrected or uncorrected adjustments exceeding £830k (2022: £835k) to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

Independent auditor's report

For the year ending 31 March 2023

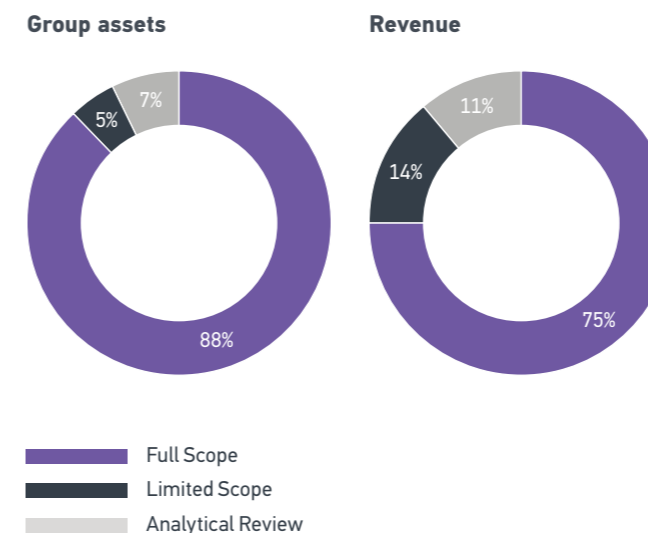
In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements.

Of the 179 (2022: 201) reporting components of the group, we identified:

- 13 (2022: 11) components to be subject full scope audits for group purposes,
- 0 (2022:3) components subject to audit of account balances and classes of transaction,
- 5 (2022:12) components subject to specific account balance or class of transaction testing to provide sufficient group audit coverage.

The group engagement team determined component materiality levels of between £13,290k and £2,490k (2022: £7,000k and £360k).

Our audit scoping coverage for the key balances is summarised in the charts below.



The group audit team led and directed the audit work performed by component auditors through a combination of group planning meetings and calls, provision of group instructions (including detailed supplemental procedures), review and challenge of related component interoffice reporting and of findings from their working papers and interaction on audit and accounting matters which arose, this included assessing the appropriateness of conclusions and consistency between reported findings and work performed.

Reporting on 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 directors are 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.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Independent auditor's report

For the year ending 31 March 2023

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 111;
- Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 111;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 112;
- Directors' statement on fair, balanced and understandable set out on page 113;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 111;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and
- Section describing the work of the Audit & Risk Committee set out on pages 82 to 86.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent auditor's report

For the year ending 31 March 2023

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company.
- We enquired of the directors and management as well as the audit and risk committee concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were in relation to collusion, forgery, intentional omissions or the override of internal controls.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Company's board and audit and risk committee meetings.
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;

- enquiry of management and where appropriate those charged with governance around actual and potential litigation and claims.
- obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- the Company operates in a regulated financial industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Moyser FCA FCCA (Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
27 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated statement of comprehensive income

For the year ending 31 March 2023

	Notes	2023 £m	2022 £m
Group and share of joint ventures turnover		863.9	909.3
Less: share of joint ventures turnover		(14.3)	(59.4)
Group turnover	2	849.6	849.9
Cost of sales	2	(141.4)	(174.3)
Operating costs	2	(553.6)	(477.0)
Profit on sale of fixed assets	4	15.7	11.3
Loss on revaluation of investment properties	15	(6.6)	(0.4)
Operating profit before interest		163.7	209.5
Share of operating profit on joint ventures		0.3	0.8
Interest receivable and similar income	7	6.5	9.4
Interest payable and similar charges	8	(86.7)	(142.8)
Profit on ordinary activities before taxation	9	83.8	76.9
Taxation	10	7.5	(6.1)
Profit on ordinary activities after taxation		91.3	70.8
(Loss)/profit attributable to non-controlling interests		(1.3)	0.1
Profit attributable to members of the parent company		90.7	70.9
Group profit for the financial year excluding joint ventures		89.8	70.2
Share of joint ventures (loss)/profit for the financial year		0.2	0.7
Total profit for the financial year		90.0	70.9
Fair value gain on interest rate and currency swaps		36.8	8.1
Revaluation loss on interest rate and currency swaps		(14.5)	—
Deferred tax on interest rate and currency swaps	10	(5.6)	(0.3)
Actuarial gain recognised in the pension scheme	25	1.0	17.3
Actuarial loss recognised in the pension scheme	25	(23.1)	—
Deferred tax arising on movement in the pension scheme	10	2.9	(6.1)
Total comprehensive income for the year		87.5	89.9

The notes on pages 130 to 175 form an integral part of these financial statements.

Company statement of comprehensive income

For the year ending 31 March 2023

	Notes	2023 £m	2022 £m
Turnover		69.6	56.5
Operating costs		(69.2)	(60.0)
Operating profit/(loss)		0.4	(3.5)
Interest payable and similar charges		(0.4)	—
Result on ordinary activities before and after taxation		—	(3.5)

The notes on pages 130 to 175 form an integral part of these financial statements.

There is no other comprehensive income other than that reported above.

Consolidated statement of financial position

As at 31 March 2023

	Notes	2023 £m	2023 £m	2022 £m	2022 £m
Fixed assets					
Intangibles	12	8.2		12.5	
Housing properties	13	4,565.8		4,183.3	
Fixed asset investments	15	597.2		710.1	
Equity loans	16	60.7		64.6	
Other fixed assets	14	130.7		121.2	
			5,362.6		5,091.7
Non-current assets					
Debtors: amounts falling due after one year	18	29.2		29.5	
Pension surplus	25	4.5		12.4	
			33.7		41.9
Current assets					
Stock	17	383.1		416.1	
Debtors: amounts falling due within one year	19	133.8		128.6	
Investments	20	3.8		3.8	
Cash and cash equivalents		66.6		106.7	
		587.3		655.2	
Current liabilities					
Creditors: amounts falling due within one year	21	(354.0)		(539.4)	
Net current assets			233.3		115.8
Non-current liabilities					
Creditors: amounts falling due after more than one year	22	(4,743.5)		(4,452.9)	
Pension liability	25	(9.5)		(8.7)	
			(4,753.0)		(4,461.6)
Net Assets			876.6		787.8
Capital and reserves					
Revenue reserves		875.3		819.0	
Cash flow hedge reserve		2.3		(28.9)	
Restricted reserve		0.2		0.2	
Total capital and reserves			877.8		790.3
Non-controlling interests			(1.2)		(2.5)
			876.6		787.8

The notes on pages 130 to 175 form an integral part of these financial statements.

The financial statements of Places for People Group Limited, company number 03777037, were approved and authorised for issue by the board of directors on 25 September 2023.

They were signed on its behalf by:



R Gregory
Group Chair



G Reed
Chief Executive

Company statement of financial position

As at 31 March 2023

	Notes	2023 £m	2022 £m
Fixed assets			
Investments	15	0.2	0.2
Current assets			
Debtors: amounts falling due within one year	19	13.5	5.0
Cash and cash equivalents		0.7	0.3
		14.2	5.3
Current liabilities			
Creditors: amounts falling due within one year	21	(17.9)	(9.0)
Net current liabilities		(3.7)	(3.7)
Net liabilities		(3.5)	(3.5)
Capital and reserves			
Revenue reserves		(3.5)	(3.5)
		(3.5)	(3.5)

The notes on pages 130 to 175 form an integral part of these financial statements.

The financial statements of Places for People Group Limited, company number 03777037, were approved and authorised for issue by the board of directors on 25 September 2023.

They were signed on its behalf by:



R Gregory
Group Chair



G Reed
Chief Executive

Consolidated statement of changes in reserves

For the year ending 31 March 2023

	Revenue Reserve £m	Cash Flow Hedge Reserve £m	Restricted Reserve £m	Total Reserves £m
Balance at 1 April 2022	819.0	(28.9)	0.2	790.3
Total comprehensive income for the year				
Profit for the year	81.7	—	—	81.7
Fair value loss on interest rate and currency swaps	—	36.8	—	36.8
Revaluation loss on interest rate and currency swaps	(14.5)	—	—	(14.5)
Deferred tax on interest rate and currency swaps	—	(5.6)	—	(5.6)
Actuarial gain recognised in the pension scheme	1.0	—	—	1.0
Actuarial loss recognised in the pension scheme	(23.1)	—	—	(23.1)
Deferred tax arising on movement in the pension scheme	2.9	—	—	2.9
Balance at 31 March 2023	875.3	2.3	0.2	877.8

The notes on pages 130 to 175 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ending 31 March 2023

	Notes	2023 £m	2022 £m
Net cash generated from operating activities (see note 11)	11	192.1	221.0
Additional pension contributions		(6.6)	(6.6)
Cash flow from investing activities			
Purchase of housing and investment properties		(427.5)	(256.1)
Proceeds from the disposal of housing and investment properties		124.5	62.8
Purchase of other fixed assets		(23.9)	(24.1)
Proceeds from the disposal of other fixed assets		—	—
Purchase of fixed and current asset investments		(0.8)	(24.0)
Proceeds from the disposal of fixed and current asset investments		22.7	35.7
Cash received from subsidiary acquisitions		2.1	—
Cash disposed from subsidiary disposal		(6.2)	—
Receipt of government and other grants		80.4	21.9
Interest received		2.6	2.0
Dividends received from investments		2.6	1.7
Net cash flow from investing activities		(223.5)	(180.1)
Cash flow from financing activities			
Interest element of finance lease rental payment		(8.1)	(14.3)
Capital element of finance rental lease payments		(1.5)	(1.7)
Interest paid		(145.1)	(122.7)
Tax paid		(2.4)	(4.0)
Settlement of financial instruments		(0.3)	9.9
(Repayment)/drawdown of loans in the year		157.9	(132.1)
Issue/(repayment) of debentures in the year		(2.6)	242.1
Net cash flow from financing activities		(2.1)	(22.8)
Net change in cash and cash equivalents		(40.1)	11.5
Cash and cash equivalents at beginning of year	11	106.7	95.2
Cash and cash equivalents at end of the year	11	66.6	106.7

Notes to the financial statements

For the year ending 31 March 2023

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction 2019 for Private Registered Providers of Social Housing 2015, and with the Companies Act 2006.

The financial statements are presented in Sterling (£m's).

Going Concern

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Group is faced with the need to address the consequences of sequence of severe and ongoing macroeconomic shocks over the past three years, including from Brexit, Covid-19, and resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Groups business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2023 the Group had cash and undrawn facilities of £806m. The Group's debt is set out in more detail in Note 22. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

The financial statements are group statements and have been prepared by consolidating the results of the entities within the Places for People Group using the acquisition method for subsidiary entities and the equity method for joint venture entities as appropriate.

The consolidated accounts comprise the financial statements of Places for People Group Limited and its subsidiary undertakings, control of which are achieved where Places for People Group Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A listing of subsidiaries and related undertakings is provided in note 29.

Independence and Responsibility Agreements exist between the Group parent and the subsidiaries, which are the basis of the Group structure, and enable the Board of Directors to control the Group. All subsidiaries have coterminous year ends. Places for People Living+ Limited, Places Impact, Castle Rock Edinvar Housing Association and Places for People Leisure Partnerships each have a charitable status.

Public benefit entity combinations that are in substance a gift to the Group are accounted for by calculating the excess of the fair value of the assets assumed over the fair value of liabilities acquired. This gain is recognised in the Statement of Comprehensive Income.

Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going Concern

In order to assess whether it is appropriate for the Group to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the Group's activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

The Group owns a range of different property types. This requires the Group to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Group considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Group has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Group has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Lease classification

During the year ending 31 March 2019, the Group purchased the freeholds of a number of properties and assessed that the arrangement should be classified as a finance lease.

The Group considered the requirements of FRS 102 Section 20 which requires that, if a lease substantially transfers all the risks and rewards of ownership, it should be treated as a finance lease. It was determined that because the Group will retain ownership of the properties at the end of the 45 year lease period, alongside holding the risks and rewards of owning and managing the properties during this period, the Group substantially holds the risks and rewards of ownership.

Notes to the financial statements

For the year ending 31 March 2023

1 Principal accounting policies (continued)

Accounting estimates

The nature of estimation means that actual outcomes may differ from the estimates made.

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £4.4bn. The residual value of social housing property structure is £291m above the carrying value as at 31 March 2023.

Defined benefit pension schemes

The Group has defined benefit obligations relating to six pension schemes. Note 25 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Group engage qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to increase scheme deficits by £3.2m The Group Retirement benefit has some benefits linked to the Retail Price Index (RPI). Increasing the RPI inflation assumption by 0.1% pa would increase the defined benefit obligation of the Scheme by approximately £0.8m.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Group is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Group engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Group's investment properties. The results of the valuation exercise have been subjected to management scrutiny and challenge.

Recoverability of stock

The Group has £383.1m of stock at 31 March 2023 (2022: £416.1m), comprising land of £113.1m, properties in construction of £181.4m and completed properties of £85.9m. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Group also undertakes sensitivity analysis and has assessed that that a short-term drop in expected selling prices of our completed properties of 10% would not result in a material impairment charge.

The Group monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Group makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Group judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and grants from local authorities and Homes England, leisure facilities management fees, equity loan fee income and other income. The turnover of the parent entity consists of recharges to other Group entities.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Long term contract revenue is recognised based on the total contract value and the stage of completion of the contract. Mortgage fee income is recognised over the term of the contract. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

Segmental Reporting

Operating segments FRS 102 requires entities with publicly traded debt to apply the reporting requirements IFRS 8 Operating Segments. The Group consider the Group Board to be the chief operating decision maker ("CODM") as defined by IFRS 8. The information in these financial statements and accompanying notes, that has been produced in line with the requirements of the Accounting Direction for Private Registered Providers 2019, aligns with internal reporting presented to the CODM.

Corporation tax

The Group is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

VAT

The majority of the Group's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

Pensions

There are thirteen pension schemes, six of which are defined benefit pension schemes based on final pensionable salary. There is a Group-wide contribution based scheme. Details of the schemes are set out in Note 25. Employees joining the Places for People Group have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Group and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

Pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme surpluses are recognised where there is an unconditional right to a refund of that surplus. Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Notes to the financial statements

For the year ending 31 March 2023

1 Principal accounting policies (continued)

Places for People Homes Limited and Places for People Living+ Limited (the English Associations) participate in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. Castle Rock Edinvar Limited and Places for People Scotland Limited (the Scottish housing Associations) participate in the Scottish Housing Association Pension Scheme (SHAPS).

Pension scheme surpluses are recognised where there is an unconditional right to a refund of that surplus. Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Places for People Homes Limited, Cotman Housing Association Limited and Derwent Housing Association Limited (the English Associations) participate in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. Castle Rock Edinvar Limited and Places for People Scotland Limited (the Scottish housing Associations) participate in the Scottish Housing Association Pension Scheme (SHAPS).

Housing Properties

Housing properties are those held primarily for the provision of social benefit. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Group capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

Land

Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Group is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

Other fixed assets

Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

Depreciation

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table opposite.

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Assets	Depreciation period (years)
Rented housing and commercial properties:	
Kitchens	20
Bathrooms	20
Boilers	15
External windows and doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	25
Social alarms	From 20 – 40
Surveys	5 – 15
Solar panels	15
Sprinklers	20
Heating	15
Equipment and furniture	5
Electricals	20
CCTV	30
Adaptations	10
Parking spaces/garages	50
Initial and replacement scheme assets	From 1 – 5
Other elements (new build)	100 – 125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
Shared ownership housing:	
All elements (new build)	35
All elements (rehab)	35
All elements (leasehold)	Lesser of term of lease or 35 years
Other fixed assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10 – 20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant and equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3 – 15

Notes to the financial statements

For the year ending 31 March 2023

1 Principal accounting policies (continued)

Stock

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes land and property held with the intention to sell, including assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

All land and property held within stock is subject to regular appraisal to confirm the assets are recoverable at least at the carrying value.

Included within stock are amounts in respect of the expected percentage of sales under first tranche disposal for shared ownership properties. Proceeds from first tranche disposals are recognised in turnover. The unsold equity of shared ownership properties is recognised within housing properties.

Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets and liabilities of the acquired business or company at the date of acquisition. Goodwill has no residual value and the finite useful life of goodwill is assessed on an individual basis for each acquisition, with a maximum useful economic life of 10 years. The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 (Impairment of assets) when there is an indication that goodwill may be impaired.

Intangible assets, other than goodwill, include expenditure on the set up of investment funds less accumulated amortisation and accumulated impairment losses.

Intangible assets with a finite life, are amortised on a straight-line basis over their expected useful lives, these range from ten to thirty years. Impairment reviews are undertaken annually on all intangible assets.

Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Group defines cash generating units as housing developments except where its developments are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

Long term contracts

Long term contracts are stated at cost plus attributable profit after providing for anticipated future losses and contingencies. Progress payments received are deducted from these amounts. Cost includes appropriate attributable overheads. Long term contract work in progress is included in debtors as amounts recoverable on contracts.

Cash retentions relating to customers and contractors are recognised, within debtors and creditors respectively, in line with the terms and stage of the relevant contract. Cost accruals for works completed but not yet invoiced by suppliers and costs estimated for defect remediation are recognised in line with profit recognition on the project and held until actual costs are incurred.

Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where SHG or other grants are retained following the disposal of property, it is shown under the Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised.

Concessionary Loans

The Group has a HomeBuy arrangement which is considered to be a concessionary loan.

Under the HomeBuy scheme, the Group receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as fixed asset investments on the statement of financial position. The HomeBuy grant provided by the Government to fund all or part of a HomeBuy loan is classified as a creditor due in more than one year.

Financial Instruments

The Group has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Debt service reserves held in trust as security against debt holdings are categorised as held-to-maturity and measured at amortised cost using the effective interest method.
- Loans and mortgages receivable are categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Amounts recoverable on long term contracts are included with debtors.
- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Discounted bonds are shown at their redemption value less deferred interest. Deferred interest represents the discount on the issue of the discounted bonds. Discounts are recognised in the statement of comprehensive income on an effective yield basis.

Notes to the financial statements

For the year ending 31 March 2023

1 Principal accounting policies (continued)

- Derivatives, comprising interest rate and currency swaps, are held at fair value. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in reserves. Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income account. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The associated cumulative gain or loss is removed from equity and recognised in the statement of comprehensive income account in the same period or periods during which the hedged forecast transaction affects profit or loss.
- The cost of raising finance is amortised over the period of the associated financial instrument. The deferred cost is offset against the liability recognised in the statement of financial position.
- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs. Derivatives require fair value measurement each year and consequently they are subject to categorisation under the hierarchy approach.

Cash and cash equivalents in the statement of financial position are items that mature or are convertible within three months or less. The Group is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Foreign Currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions or if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the statement of financial position date and gains or losses on translation are included in the statement of comprehensive income.

Leases

The Group classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Group. Other leases are classified as operating leases.

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under finance leases are included in creditors net of the finance charge allocated to future periods. The finance element of the rental, along with any immaterial corrections relating to previous years, is charged to the statement of comprehensive income using the effective interest rate method.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. Income in respect of operating leases where the Group is the lessor is recognised in the statement of comprehensive income on a straight line basis over the lease term, reduced by the cost of any lease incentives.

Restricted Reserves

The Group has a reserve which is only expendable in accordance with the wishes of the funder. The transfers to/from restricted reserves are shown in other comprehensive income.

Operating segments

FRS 102 requires entities with publicly traded debt to apply the reporting requirements IFRS 8 Operating Segments. The Group consider the Group Board to be the chief operating decision maker ("CODM") as defined by IFRS 8. The information in these financial statements and accompanying notes, that has been produced in line with the requirements of the Accounting Direction for Private Registered Providers 2019, aligns with internal reporting presented to the CODM for management and review purposes.

Notes 2 and 3 present segmental information on income and expenditure for the differing operations of the Group. The CODM do not review disaggregated financial information in respect of assets and liabilities so this is not presented in these financial statements.

Notes to the financial statements

For the year ending 31 March 2023

2 Turnover, cost of sales, operating costs and operating profit

	Turnover	Cost of sales	Operating costs	Other operating items	2023 Operating profit
	£m	£m	£m	£m	£m
Social housing lettings (note 3)	411.0	—	(243.9)	—	167.1
Other social housing activities					
Social housing property sales	7.0	(4.4)	(0.1)	—	2.5
Shared ownership property sales	21.7	(18.8)	(1.2)	—	1.7
Charges for support services	3.0	—	(2.4)	—	0.6
	442.7	(23.2)	(247.6)	—	171.9
Non-social housing activities	406.9	(118.2)	(310.5)	—	(21.8)
Cessation of defined benefit pension scheme (Note 25)	—	—	4.5	—	4.5
	849.6	(141.4)	(553.6)	—	154.6
Surplus on sale of fixed assets (note 4)	—	—	—	15.7	15.7
Gain on revaluation of investment properties (note 15)	—	—	—	(6.6)	(6.6)
Total	849.6	(141.4)	(553.6)	9.1	163.7

	Turnover	Cost of sales	Operating costs	Other operating items	2022 Operating profit/(loss)
	£m	£m	£m	£m	£m
Social housing lettings (note 3)	391.8	—	(204.9)	—	186.9
Other social housing activities					
Social housing property sales	6.6	(4.5)	(0.1)	—	2.0
Shared ownership property sales	33.3	(21.6)	(0.9)	—	10.8
Charges for support services	2.9	—	(2.5)	—	0.4
	434.6	(26.1)	(208.4)	—	200.1
Non-social housing activities	415.3	(148.2)	(268.6)	—	(1.5)
Cessation of defined benefit pension scheme (Note 25)	849.9	(174.3)	(477.0)	—	198.6
	816.5	(198.5)	(422.8)	—	195.2
Surplus on sale of fixed assets (note 4)	—	—	—	11.3	11.3
Gain on revaluation of investment properties (note 15)	—	—	—	(0.4)	(0.4)
Total	849.9	(174.3)	(477.0)	10.9	209.5

Analysis of turnover

	2023 £m	2022 £m
Social housing turnover	442.7	434.6
Non-social housing activities		
Non-social housing development	132.5	128.2
Leisure facilities management	149.8	120.4
Property management services	70.0	64.7
Non-social housing lettings	33.6	38.6
Non-social construction services	6.8	42.1
Other	14.2	21.3
Total	849.6	849.9

Notes to the financial statements

For the year ending 31 March 2023

3 Income and expenditure from social housing lettings

					2023	2022
	General needs housing	Supported housing & housing for older people	Low Cost Home Ownership	Other	Total	Total
	£m	£m	£m	£m	£m	£m
Income						
Rent receivable net of identifiable service charges	262.0	36.3	15.3	23.2	336.8	320.2
Service charge income	15.7	19.2	4.3	0.7	39.9	39.5
Revenue grant	0.8	—	—	—	0.8	0.9
Amortised Government grants	15.6	2.1	4.4	0.3	22.4	24.2
Other income	8.5	0.8	1.3	0.5	11.1	7.0
Turnover from social housing lettings	302.6	58.4	25.3	24.7	411.0	391.8
Expenditure on social housing lettings activities						
Management	(47.1)	(7.1)	(4.3)	(8.5)	(67.0)	(58.7)
Service charge costs	(19.3)	(18.6)	(3.5)	(2.3)	(43.7)	(37.1)
Routine maintenance	(47.8)	(6.7)	(1.4)	(2.6)	(58.5)	(47.1)
Planned maintenance	(15.9)	(3.0)	(0.7)	(0.9)	(20.5)	(16.6)
Major repairs expenditure	(3.9)	(0.5)	(0.7)	(0.1)	(5.2)	(3.0)
Bad debts	(1.4)	(0.3)	0.2	(0.2)	(1.7)	(0.9)
Depreciation	(34.2)	(5.6)	(1.0)	(1.4)	(42.2)	(40.5)
Impairment	(3.7)	—	(0.7)	—	(4.4)	—
Other costs	(0.6)	(0.1)	—	—	(0.7)	(1.0)
Operating costs on social housing lettings	(173.9)	(41.9)	(12.1)	(16.0)	(243.9)	(204.9)
Operating profit on social housing lettings	128.7	16.5	13.2	8.7	167.1	186.9
Void losses	(3.1)	(2.0)	—	(0.7)	(5.8)	(5.8)

Notes to the financial statements

For the year ending 31 March 2023

4 Group profit on sale of fixed assets

	Sale proceeds	Cost of sales	Other sales expenses	2023 Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	35.9	(19.3)	(1.8)	14.8
Sale of fixed asset investments	112.7	(104.5)	(1.7)	6.5
Sale of other fixed assets	—	(5.6)	—	(5.6)
Total	148.6	(129.4)	(3.5)	15.7
				2022 Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	33.9	(20.1)	(1.1)	12.7
Sale of fixed asset investments	27.1	(27.8)	(0.8)	(1.5)
Sale of other fixed assets	1.9	(1.8)	—	0.1
Total	62.9	(49.7)	(1.9)	11.3

5 Directors' emoluments

The Group is administered by a board of directors. The directors received remuneration as set out below.

	2023	Group 2022
	£m	£m
Aggregate emoluments (excluding pension contributions):		
Non-executive directors	0.3	0.3
Executive directors	1.7	1.9
Pension contributions:		
Executive directors	0.1	0.1
Total remuneration	2.1	2.3

The number of executive directors who received emoluments in the following ranges was:

	2023	2022
	No.	No.
£230,000 - £239,999	—	1
£300,000 - £309,999	1	1
£330,000 - £339,999	—	1
£340,000 - £349,999	—	1
£360,000 - £369,999	1	—
£390,000 - £399,999	—	1
£450,000 - £459,999	1	1
£490,000 - £499,999	1	—
£600,000 - £609,999	1	—

Notes to the financial statements

For the year ending 31 March 2023

5 Directors' emoluments (continued)

Aggregate emoluments are attributed to executive directors as follows:

	Salary £'000	Bonus £'000	Benefits £'000	2023 Total £'000	Group 2022 Total £'000
S Black	331	120	2	453	421
D Cowans	—	—	—	—	332
D Marriott-Lavery	114	—	1	115	321
G Reed	449	155	2	606	214
T Weightman	91	34	2	127	277
A Winstanley	258	96	12	366	372
	<u>1,243</u>	<u>405</u>	<u>19</u>	<u>1,667</u>	<u>1,937</u>

All directors above were paid for the full year with the exception of D Marriott-Lavery who left on 6 August 2022, and Tim Weightman who resigned as role of Executive Director on 8 September 2022.

The Group Executive, Scott Black is the highest paid director as disclosed above.

Pension contributions are attributed to executive directors as follows:

	2023 £'000	2022 £'000
S Black	4	32
D Marriott-Lavery	11	26
G Reed	4	16
T Weightman	11	23
A Winstanley	23	22
	<u>53</u>	<u>119</u>

Aggregate emoluments are attributed to non-executive directors as follows:

	Salary £'000	Expenses £'000	2023 Total £'000	2022 Expenses £'000
R Gregory (Chair)	86	2	88	81
R Cartwright	31	4	35	13
A Daniel	30	—	30	29
M Dunn	32	—	32	7
R Finn	35	1	36	30
H Fridell	7	—	7	12
N Hopkins	18	2	20	30
G Kitchen	35	—	35	30
L Lackey	—	—	—	14
G Waddell	36	1	37	30
	<u>310</u>	<u>10</u>	<u>320</u>	<u>276</u>

Notes to the financial statements

For the year ending 31 March 2023

6 Employee information

The average number of employees expressed as full time equivalents (including the executive directors) employed during the year was:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Managing housing services	2,721	2,544	132	64
Developing and selling houses	229	259	206	183
Central administration services	832	800	547	464
Care services	112	171	—	—
Leisure service activities	1,870	1,958	—	—
	<u>5,764</u>	<u>5,732</u>	<u>885</u>	<u>711</u>

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the Group. The monthly numbers are then added together and divided by the number of months in the financial year.

	2023 £m	2022 £m	2023 £m	2022 £m
Staff costs (for the above persons):				
Wages and salaries	206.0	186.1	48.5	37.3
Severance pay	1.1	1.1	0.2	0.4
Social security costs	19.3	16.4	5.8	4.2
Pension payments	14.2	12.2	5.2	3.7
	<u>240.6</u>	<u>215.8</u>	<u>59.7</u>	<u>45.6</u>
Staff costs (for the non-executive members of the board):				
Wages and salaries	0.5	0.4	—	—
	<u>0.5</u>	<u>0.4</u>	<u>—</u>	<u>—</u>

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be members of the Group management team responsible for the management of the Group's Registered Providers. Analysis of the executive directors is disclosed in note 5.

	2023 No.	2022 No.
£110,000 - £119,999	2	2
£120,000 - £129,999	2	2
£130,000 - £139,999	2	2
£150,000 - £159,999	—	1
£160,000 - £169,999	1	1
£170,000 - £179,999	1	1
£180,000 - £189,999	1	2
£210,000 - £219,999	2	—
£220,000 - £229,999	1	1
£260,000 - £269,999	—	—
£300,000 - £309,999	1	1

Notes to the financial statements

For the year ending 31 March 2023

7 Interest receivable and similar income

On financial assets not at fair value through the statement of comprehensive income:

	2023	Group 2022	2023	Company 2022
	£m	£m	£m	£m
Interest on fixed asset investments	1.9	7.6	—	—
Dividend received	2.6	1.7	—	—
Other interest receivable from deposits	1.5	0.1	—	—
Share of joint ventures interest receivable and other income	0.5	—	—	—
	<u>6.5</u>	<u>9.4</u>	<u>—</u>	<u>—</u>

8 Interest payable and similar charges

On financial liabilities not at fair value through the statement of comprehensive income:

	2023	Group 2022	2023	Company 2022
	£m	£m	£m	£m
Bank loans and overdrafts	136.3	129.5	0.4	—
Finance charges on hire purchase or lease agreements	(0.2)	14.6	—	—
In respect of Recycled Capital Grant Fund	1.1	0.1	—	—
	<u>137.2</u>	<u>144.2</u>	<u>0.4</u>	<u>—</u>
On defined benefit pension scheme:				
Expected return on pension assets	(9.2)	(7.4)	—	—
Interest on scheme liabilities	8.8	7.8	—	—
	<u>(0.4)</u>	<u>0.4</u>	<u>—</u>	<u>—</u>
Gain on debt breakage	(45.2)	—	—	—
Share of joint ventures interest payable and similar charges	0.5	—	—	—
Less: capitalised interest	(5.4)	(1.8)	—	—
	<u>86.7</u>	<u>142.8</u>	<u>0.4</u>	<u>—</u>

On 13 October 2022 the Group broke the embedded fixed rate within a £100m long-dated legacy secured loan. The Group had previously provided against the cost of this loan which resulted in a gain on breakage of £45.2m.

9 Profit on ordinary activities before taxation

	2023	Group 2022	2023	Company 2022
	£m	£m	£m	£m
Profit on ordinary activities before taxation is stated after charging:				
Depreciation and impairment:				
Tangible fixed assets	55.0	50.6	—	—
Amortisation of intangible assets	2.1	2.1	—	—
(Loss)/profit on disposal of tangible fixed assets other than housing assets	(5.6)	0.1	—	—
Impairment of fixed asset investments	16.1	—	—	—
Payments under operating leases:				
Housing properties	9.7	9.4	—	—
Motor vehicles	5.3	5.3	0.2	0.2
Other operating leases	1.0	1.5	—	—
Hire of equipment	0.3	0.5	—	0.2
Auditor's remuneration:				
In their capacity as auditor	1.1	0.8	0.1	—

Auditor's remuneration in respect of non-audit services was £Nil (2022: £94,000).

Notes to the financial statements

For the year ending 31 March 2023

10 Tax on profit on ordinary activities

(a) Analysis of charge in period

Tax on profit on ordinary activities

	2023 £m	Group 2022 £m
United Kingdom corporation tax	4.5	3.5
Adjustments to tax charge in respect of prior periods	(3.0)	1.2
	<u>1.5</u>	<u>4.7</u>
Deferred tax (note 10e)		
Origination and reversal of timing differences	(10.2)	3.0
Adjustments to deferred tax in respect of prior periods	1.2	(0.9)
Effect of tax rate change on opening balance	—	(0.7)
	<u>(9.0)</u>	<u>1.4</u>
Total tax charge	<u>(7.5)</u>	<u>6.1</u>

(b) Tax expense included in other comprehensive income

Deferred Tax

Origination and reversal of timing differences	<u>2.7</u>	<u>6.4</u>
--	------------	------------

(c) Factors affecting tax charge for period

The tax assessed is different than the standard rate of corporation tax in the UK of 19% (2022: 19%).

The differences are explained below:

Taxable Group profit	83.8	76.9
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	15.9	14.6
Fixed asset differences	0.7	0.2
Expenses not deductible/(income not taxable)	(18.5)	(9.0)
Losses carried Back	2.1	—
Chargeable gains	1.5	0.8
Movement in unrecognised deferred tax	(6.6)	(1.5)
Rate difference	(0.5)	0.9
Adjustments to tax charge in respect of prior periods	(1.8)	0.3
Other Movements	—	0.7
Deduction for Gift Aid	(0.3)	(0.9)
Tax on profit on ordinary activities (note 10a)	<u>(7.5)</u>	<u>6.1</u>

Notes to the financial statements

For the year ending 31 March 2023

10 Tax on profit on ordinary activities (continued)

(d) Factors that may affect future tax charges

The main rate of corporation tax will be increased from 19% to 25% (effective 1 April 2023). This change will increase the company's future current tax charge accordingly. As this change in corporation tax rate has been substantively enacted at the Balance Sheet date, deferred tax has been calculated using the increased rate of 25% due to the expected reversal of the deferred tax asset/liability.

	2023	Group 2022
	£m	£m
(e) Provision for deferred tax		
Accelerated capital allowances	8.9	10.7
Other short-term timing differences	(5.9)	(5.3)
Other timing differences	—	2.6
Tax losses	(15.7)	—
Interest rate and currency swaps through other comprehensive income	0.4	(5.2)
Pension through other comprehensive income	0.5	3.5
	—	6.3
Provision/(debtor) at 1 April	6.3	(1.4)
Effect of tax rate change on opening balance	—	(0.7)
Expense in the year in statement of comprehensive income	(10.2)	2.9
Expense in the year in statement of comprehensive income in other comprehensive income	2.7	6.4
Adjustments in respect of prior periods other comprehensive income	1.2	(0.9)
Provision at 31 March at 25% (2022: 19%) (note 21)	—	6.3

There is also a deferred tax asset of £7,961k (2022: £9,737k) which has not been recognised due to management not expecting reversal in the foreseeable future. This deferred tax asset is in relation to accumulated corporate interest restriction deductions that do not expire.

Notes to the financial statements

For the year ending 31 March 2023

11 Statement of cash flows

Note 11a — Cash flow from operating activities

	2023	2022
	£m	£m
Profit for the year	90.0	70.9
<i>Adjustments for non-cash items to reconcile profit for the year to net cash generated from operating activities</i>		
Depreciation and impairment of fixed assets	71.1	49.5
Amortisation of grants	(22.4)	(24.2)
(Profit from investment in joint ventures	(0.2)	(0.7)
Profit/(loss) attributable to non-controlling interests	1.3	(0.1)
Amortisation of intangible fixed assets	2.1	2.1
Appreciation of fixed asset investments	(1.0)	(2.5)
Gain on revaluation of investment properties	6.6	0.4
Increase in stock	(3.0)	(9.6)
(Increase)/decrease in debtors	(6.5)	17.2
Increase/(decrease) in trade and other creditors	7.1	(5.8)
Profit on tangible fixed asset disposals	(19.2)	(13.2)
Pension adjustment	(6.5)	(2.5)
Interest payable	86.7	142.8
Interest receivable	(6.5)	(9.4)
Taxation	(7.5)	6.1
	192.1	221.0

Note 11b — Analysis of changes in net debt

	At 1 April 2022*	Cash Flows	Other non- cash changes	At 31 March 2023
	£m	£m	£m	£m
Cash and cash equivalents	106.7	(40.1)	—	66.6
Borrowings				
Debt due within one year	259.4	(271.1)	104.7	93.0
Debt due after one year	2,977.2	427.4	(141.4)	3,263.2
	3,236.6	156.3	(36.7)	3,356.2
Total	3,129.9	196.4	(36.7)	3,289.6

Notes to the financial statements

For the year ending 31 March 2023

12 Intangibles

	Goodwill	Other intangibles	Total intangibles
	£m	£m	£m
Net book value			
At 1 April 2022	6.9	5.6	12.5
Additions in year	0.6	—	0.6
Disposals in year	(2.8)	—	(2.8)
Amortisation charged in year	(1.2)	(0.9)	(2.1)
Total grants at 31 March 2023	3.5	4.7	8.2
		Igloo Investment Management Limited	Igloo Regeneration Limited
		£m	£m
Assets and liabilities acquired in year			
Fixed Assets			
Fixed Assets		—	0.1
Current assets			
Debtors		0.8	0.6
Cash at bank		—	2.1
		0.8	2.8
Creditors: Amounts falling due within one year		(0.3)	(0.4)
Net assets acquired		0.5	2.4

On the 12 January 2023, the Group acquired 100% of Igloo Investment Management Limited and Igloo Regeneration Limited for a total cash consideration of £3.5m. The net assets acquired of both entities totalled £2.9m. This resulted in a goodwill consideration of £0.6m. The goodwill acquired will be amortised on a straight-line basis over 10 years.

Other intangible assets include set up costs on investment funds, these assets are amortised on a straight-line basis over their expected useful lives which range from 10 to 30 years.

Notes to the financial statements

For the year ending 31 March 2023

13 Housing properties

	Housing properties and land	LSE & shared ownership housing properties	Housing properties in the course of construction	LSE & shared ownership properties in the course of construction	Total housing properties
	£m	£m	£m	£m	£m
Cost					
At 1 April 2022	4,338.4	295.5	92.7	9.4	4,736.0
Reclassification of opening balances	4.4	—	(4.4)	—	—
Additions	91.9	14.6	185.5	59.4	351.4
Major works additions	66.4	—	—	—	66.4
Change of tenure	8.5	(1.3)	12.2	4.9	24.3
Transfer to completed schemes	129.0	16.6	(129.0)	(16.6)	—
Transfer to sales account on disposal	(15.4)	(7.0)	—	—	(22.4)
At 31 March 2023	4,623.2	318.4	157.0	57.1	5,155.7
Depreciation					
At 1 April 2022	(537.7)	(15.0)	—	—	(552.7)
Charge for year					
Depreciation	(38.9)	—	—	—	(38.9)
Impairment	(3.7)	(0.7)	—	—	(4.4)
Eliminated on disposal					
Depreciation	5.7	0.4	—	—	6.1
At 31 March 2023	(574.6)	(15.3)	—	—	(589.9)
Net book value at 31 March 2023	4,048.6	303.1	157.0	57.1	4,565.8
Net book value at 1 April 2022	3,800.7	280.5	92.7	9.4	4,183.3

LSE denotes Leasehold Schemes for the Elderly.

	2023	2022
	£m	£m
Housing properties comprise, at cost:		
Freehold	4,588.1	4,212.8
Long leasehold	559.2	513.6
Short leasehold	8.4	9.6
	5,155.7	4,736.0

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £11.8m (2022: £9.2m).

Expenditure on major works to existing properties during the year was £66.4m (2022: £63.8m).

Additions to housing properties in the course of construction during the year include capitalised interest of £4.4m (2022: £1.8m).

The market value subject to tenancies of the Groups housing properties at 31 March 2022 was £6,152m.

Notes to the financial statements

For the year ending 31 March 2023

14 Group other fixed assets

	Commercial and office properties							Total £m
	Motor vehicles	Plant and specialist equipment	Computer equipment	Freehold offices	Long leasehold	Short leasehold	Fixtures and fittings	
	£m	£m	£m	£m	£m	£m	£m	
Cost								
At 1 April 2022	1.6	5.3	86.6	34.3	16.2	32.2	50.1	226.3
Additions	—	0.4	16.9	0.6	0.4	2.0	3.6	23.9
Change of tenure	—	—	1.0	(1.1)	(0.1)	—	0.2	—
Disposals	(0.3)	(0.2)	(9.2)	(1.7)	—	(2.3)	(13.8)	(27.5)
At 31 March 2023	1.3	5.5	95.3	32.1	16.5	31.9	40.1	222.7
Depreciation								
At 1 April 2022	(1.6)	(3.5)	(32.9)	(2.6)	(3.1)	(18.9)	(41.0)	(103.6)
Charge for year	—	(0.7)	(4.5)	(0.5)	(0.3)	(2.4)	(3.3)	(11.7)
Change of tenure	—	—	(0.4)	—	—	—	0.4	—
Eliminated on disposal	0.3	0.2	9.2	0.1	—	2.3	12.7	24.8
At 31 March 2023	(1.3)	(4.0)	(28.6)	(3.0)	(3.4)	(19.0)	(31.2)	(90.5)
Impairment								
At 1 April 2022	—	—	—	(0.4)	(0.5)	(0.6)	—	(1.5)
At 31 March 2023	—	—	—	(0.4)	(0.5)	(0.6)	—	(1.5)
Net book value at 31 March 2023	—	1.5	66.7	28.7	12.6	12.3	8.9	130.7
Net book value at 1 April 2022	—	1.8	53.7	31.3	12.6	12.7	9.1	121.2

Notes to the financial statements

For the year ending 31 March 2023

15 Fixed assets investments

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
External investments and investment in related undertakings (a)	169.0	182.5	0.2	0.2
Investment property (b)	428.2	527.6	—	—
Total fixed asset investments	597.2	710.1	0.2	0.2
(a) External investments and investment in related undertakings				
	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Cost at 1 April	182.7	185.1	0.2	0.5
Cost at 31 March	185.3	182.7	0.2	0.2
Accumulated impairment at 1 April	(0.2)	(0.2)	—	—
Provision raised in the year	(16.1)	—	—	—
At 31 March	(16.3)	(0.2)	—	—
Net book value at 31 March	169.0	182.5	0.2	0.2
Debt Service Reserves	28.5	26.7	—	—
Grace Gillett Trust	0.2	0.2	—	—
Other external investments	40.7	52.8	—	—
Investment in associates	10.0	10.0	—	—
Investment in related undertakings	—	—	0.2	0.2
Investment in joint venture undertakings	89.6	92.8	—	—
	169.0	182.5	0.2	0.2

Investments in Debt Servicing Reserves are held in trust for the Association by the Prudential Trustee Company as security against the 6.625% Eurobond 2038, and the 5.09% secured Bond 2024, and by Abbey National Treasury Services as security against a fixed rate loan of £39 million. The reserves equate to one year's payment of interest and principal.

The Grace Gillett Trust resulted from a legacy left to support the residents of a scheme in Bristol.

Notes to the financial statements

For the year ending 31 March 2023

15 Fixed assets – investments (continued)

(b) Investment properties

	£m
At 1 April 2022	527.6
Additions	15.2
Change of tenure	(20.0)
Revaluation in year	(6.6)
Disposals	(88.0)
At 31 March 2023	428.2

16 Equity loans

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Gross valuation				
At 1 April	77.7	82.5	—	—
Additions in year	1.4	1.2	—	—
Net appreciation in year	1.4	3.1	—	—
Disposals in year	(7.6)	(9.1)	—	—
At 31 March	72.9	77.7	—	—
Other associated liabilities				
At 1 April	(13.1)	(14.4)	—	—
Net appreciation in year	(0.4)	(0.6)	—	—
Disposals in year	1.3	1.9	—	—
At 31 March	(12.2)	(13.1)	—	—
Net book value at 31 March	60.7	64.6	—	—

Notes to the financial statements

For the year ending 31 March 2023

17 Stock

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Land	113.1	112.2	—	—
Properties in construction	181.4	211.3	—	—
Completed properties	85.9	77.7	—	—
Rental properties held for sale	—	13.8	—	—
Other	2.7	1.1	—	—
	383.1	416.1	—	—

18 Debtors: amounts falling due after more than one year

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Derivative financial instruments held to manage the interest rate profile and currency risk	25.5	12.5	—	—
Revaluation of foreign currency denominated debt	2.7	15.8	—	—
Mortgages	1.0	1.2	—	—
	29.2	29.5	—	—

19 Debtors: amounts falling due within one year

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Rental debtors	22.5	17.8	—	—
Less: Provision for bad and doubtful debts	(4.7)	(4.5)	—	—
	17.8	13.3	—	—
Other trade debtors	38.0	28.3	0.5	0.3
Revaluation of foreign currency denominated debt	(0.5)	0.8	—	—
Mortgages	—	0.1	—	—
Corporation tax	3.4	2.5	—	(0.3)
Capital debtors	27.7	33.7	—	—
Derivative financial instruments held to manage the interest rate profile and currency risk	1.4	3.1	—	—
Amounts due from joint ventures undertakings	1.1	1.4	—	0.1
Sundry debtors, prepayments and accrued income	44.3	44.9	12.9	4.8
Loans to employees	0.6	0.5	0.1	0.1
	133.8	128.6	13.5	5.0

Notes to the financial statements

For the year ending 31 March 2023

20 Current asset investments

	2023	Group 2022	2023	Company 2022
	£m	£m	£m	£m
Cash held as security	3.8	3.8	—	—

21 Creditors: amounts falling due within one year

	2023	Group Restated*	2023	Company 2022
	£m	£m	£m	£m
Debt				
Housing and bank loans principal payable within one year	29.6	251.5	—	—
Debentures/stocks principal payable within one year	66.3	2.6	—	—
Discount on bond issue	(5.5)	(5.2)	—	—
Derivative financial instruments held to manage the interest rate profile and currency risk	—	9.1	—	—
Obligations under finance leases	2.6	1.4	—	—
	93.0	259.4	—	—
Other financial liabilities				
Interest on housing loans	40.5	45.6	0.2	—
Payments received on account	14.9	12.9	—	—
Prepaid rent	10.9	8.4	—	—
Deferred tax	—	6.3	—	—
Other taxes	2.4	3.2	0.5	0.5
Capital development creditor	44.9	60.1	—	—
Trade creditors	11.7	11.2	0.3	0.7
Other creditors and accruals	104.4	100.9	16.9	7.8
Deferred government grant	23.0	23.8	—	—
Recycled Capital Grant Fund (note 23)	8.3	7.6	—	—
	354.0	539.4	17.9	9.0

Notes to the financial statements

For the year ending 31 March 2023

22 Creditors: amounts falling due after more than one year

	2023	Group Restated*	2023	Company 2022
	£m	£m	£m	£m
Debt				
Housing and bank loans	1,631.7	1,247.0	—	—
Debenture stock/bonds	1,419.0	1,485.3	—	—
Discount on bond issue	(23.3)	(28.9)	—	—
Obligations under finance leases	210.3	221.2	—	—
Derivative financial instruments held to manage the interest rate profile and currency risk	25.5	52.6	—	—
	3,263.2	2,977.2	—	—
Other financial liabilities				
Recycled Capital Grant Fund (note 23)	45.6	49.5	—	—
Deferred Government grant	1,360.5	1,297.4	—	—
Fair value of breakage costs	42.1	93.3	—	—
HomeBuy grant	32.1	35.5	—	—
	4,743.5	4,452.9	—	—

Analysis of debt and other financial liabilities

These are repayable as follows:

	2023	2022
	£'000	£'000
In one year or less	93.0	259.4
In one year or more but less than two years	368.1	188.7
In two years or more but less than five years	1,034.5	972.3
In five years or more		
By instalments	566.3	449.5
Not by instalments	1,294.2	1,366.6
	3,356.2	3,236.5

The total value of the loans subject to a guarantee is £75.0m (2022: £75.0m).

All secured loans are supported by specific charges on the Group's housing properties and are repayable at varying rates of interest from, 0.96% - 11.95%, in instalments.

Included within housing and bank loans is £14.6m (2022: £12.4m) which relates to the cost of debt issue.

Notes to the financial statements

For the year ending 31 March 2023

23 Recycled capital grant and disposal proceeds fund

Recycled capital grant fund	Homes England		Greater London Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
At 1 April	44.1	38.3	8.3	8.7
Inputs to RCGF: Grant recycled	6.0	5.8	1.2	1.9
Interest accrued	1.0	0.1	0.1	—
Recycling of grant: New build	(7.5)	(0.1)	—	—
Repayment of grant to the HCA/GLA	—	—	(4.0)	(2.3)
At 31 March	43.6	44.1	5.6	8.3
Amounts three years old or older where repayment may be required	24.6	23.0	1.1	4.0
Recycled capital grant fund in respect of Scottish subsidiaries	4.7	4.7	—	—
Total recycled capital grant fund	53.9	57.1	—	—

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments

Financial risk management objectives and policies

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Group. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. That team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Group's treasury function is responsible for the management of funds and control of the associated risks. Its activities are governed in accordance with board approved policy and are subject to regular audit. The function does not operate as a profit centre.

The net cash generated from operating activities was £192.1m (2022: £221.0m). Bank balances and short-term investments were £70.4m at the year end (2022: £110.5m). In addition to this, the Group had further available facilities of £735m (2022: £898.4m) and has established a European Medium Term Note Programme of £278.7m (2022: £293.5m) for future fundraising.

Market risk

Market risk comprises interest rate risk, currency risk and other price risk.

Interest rate risk

The Group's strategy is to contain interest rate risk within 30% of the loan book, with the board exercising a strict control over derivative transactions; currently 74% of debt is either held at fixed rates of interest or hedged against adverse rate movements.

The Group manages its exposure to this risk through a mix of debt at fixed rates of interest and interest rate hedging techniques.

It is estimated that each quarter percent increase in interest rates would increase interest payable costs by £1.47m per annum.

Currency risk

The Group has no overseas subsidiaries and trades only in sterling. The Group has some debt which is denominated in foreign currency. The Group's strategy is to mitigate currency risk arising from foreign currency denominated debt. This is achieved using cross currency interest rate swaps. Currency cash flow exposure is fully hedged, therefore a change in the foreign currency rate would be fully offset by the swaps

Other price risk

The Group is impacted by general changes in price levels and specifically the Retail Price Index (RPI). This is because some payments to retail bond holders are directly linked to the RPI.

It is estimated that each quarter percent increase in RPI would increase interest payable costs by £0.16m per annum.

Credit risk

Credit risk arises from exposure to the risk of a loss if a counterparty fails to perform its obligations to the Group. This relates to exposures to financial institutions for investments and cash deposits placed, with corporates for credit granted in the course of operations and with individuals for rent receivable and loans granted.

The Group's credit exposure is virtually all within the United Kingdom.

Whilst the Group's maximum exposure to credit risk is best represented by the carrying value of the individual assets, in most cases the likely exposure is far less due to the nature of the debt held, credit status of counterparties, security held and other actions taken to mitigate the risk to the Group as described below:

- In respect of investments and deposits placed, the Group has established strict counterparty credit limits based on the overall level of its investment activity and the credit quality of the institutions with which investments are placed. External fund managers are employed to manage investment in government securities which are held as debt reserves to credit enhance certain loan stocks; these reserves are held at levels in excess of covenanted requirements in order to manage against the risk of short-term movements in financial markets.
- In respect of financial derivative instruments, the Group treasury team currently performs a weekly review of the credit ratings of all its financial institution counterparties. The credit risk on liquid funds and derivative financial instruments is managed through the Group's policies of monitoring counterparty exposure, concentration of credit risk through the use of multiple counterparties and the use of counterparties of investor grade quality.
- In respect of individuals, tenant arrears are reported each working day and dedicated teams are assigned to maximise debt recovery. In addition, more than half of arrears are collected directly from local authorities, reducing the Group's exposure to individual tenant's credit risk.
- Loans made to customers to purchase Group developed houses are secured by a charge against the relevant property.

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments (continued)

Liquidity risk and refinancing exposure

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Interest rate risk is considered to be a key component of both market and liquidity risk.

The Group is in compliance with all of its financial covenants contained within its loan documents and loan stocks trust deeds. The Group defines its refinancing risk as loans which do not include some form of amortisation or sinking fund.

The Group utilises short-term revolving bank debt as a consequence of its sales programme. Currently 45.7% of debt matures within the next 5 years, including 5.2% that matures during the next financial year.

Hedging

The Group hedges its currency risk by taking out fixed/fixed cross currency interest swaps and fixed/floating cross currency interest swaps to fix the GBP value of both interest and principal repayable under foreign currency denominated debt. As at 31 March 2023 the Group held net adverse cross currency interest rate swaps with a mark to market value of £46.1m.

Liquidity Risk

The interest rate risk analysis below is considered to be a key component of the Group's liquidity risk.

Ageing Profile and Interest rate risk of financial instruments

For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position and the periods in which they reprice, if earlier than the maturity date. The tables take into account interest-bearing assets and liabilities only.

The ageing profiles below include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial assets as at 31 March 2023

	Effective interest rate	Total amount	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Group Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	2.52%	22.0	—	12.6	—	—	—	9.4
Floating rate	3.35%	6.5	—	—	—	—	—	6.5
Amounts due from related undertakings	4.85%	42.6	37.8	1.0	—	0.2	0.2	3.4
		71.1	37.8	13.6	—	0.2	0.2	19.3
Mortgages and loans		1.0	—	—	—	—	—	1.0
Derivative financial instruments held to manage interest rate risk		26.9	1.4	2.4	12.5	9.4	—	1.2
		99.0	39.2	16.0	12.5	9.6	0.2	21.5

All financial assets carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2022 were as follows:	Effective interest rate	Total amount	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	3.11%	20.2	—	—	11.8	—	—	8.4
Floating rate	0.30%	6.4	—	—	—	—	—	6.4
Amounts due from related undertakings	9.53%	50.5	23.8	14.2	0.4	—	0.2	11.9
		77.1	23.8	14.2	12.2	—	0.2	26.7
Mortgages and loans		1.2	0.1	0.1	0.1	0.1	0.1	0.7
Derivative financial instruments held to manage interest rate risk		15.6	3.1	0.3	1.5	5.8	4.4	0.5
		93.9	27.0	14.6	13.8	5.9	4.7	27.9

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial liabilities as at 31 March 2023

	Effective interest rate %	Total amount £m	Within 1 year £m	Group					Over 5 years £m
				1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	4 – 5 years £m		
Stocks and bonds:									
Fixed rate	4.02%	1,839.1	121.2	279.6	45.7	445.7	34.2	912.7	
Discount on bond issue		(28.9)	(5.5)	(5.0)	(4.4)	(4.3)	(4.3)	(5.4)	
		1,810.2	115.7	274.6	41.3	441.4	29.9	907.3	
Housing and other loans:									
Fixed rate	4.26%	1,516.6	138.2	102.5	163.7	124.5	57.6	930.1	
Index linked	4.39%	52.6	0.3	0.3	0.3	0.3	0.3	51.1	
Floating	2.62%	684.5	34.0	96.8	359.5	5.1	3.3	185.8	
		2,253.7	172.5	199.6	523.5	129.9	61.2	1,167.0	
Finance leases	5.85%	628.2	16.8	16.8	16.8	16.8	16.8	544.2	
Derivative financial instruments held to manage interest rate risk		25.5	—	1.5	—	—	—	24.0	
		4,717.6	305.0	492.5	581.6	588.1	107.9	2,642.5	

All financial liabilities carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2022 were as follows:

	Effective interest rate %	Total amount £m	Within 1 year £m	Group					Over 5 years £m
				1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	4 – 5 years £m		
Stocks and bonds:									
Fixed rate	4.02%	1,899.0	59.9	121.2	279.6	45.7	445.7	946.9	
Discount on bond issue		(34.1)	(5.2)	(5.7)	(4.9)	(4.1)	(4.2)	(10.0)	
		1,864.9	54.7	115.5	274.7	41.6	441.5	936.9	
Housing and other loans:									
Fixed rate	4.26%	1,796.4	213.4	149.8	100.8	165.0	120.9	1,046.5	
Index linked	4.39%	51.6	0.3	0.3	0.3	0.3	0.3	50.1	
Floating rate	2.62%	249.7	91.3	29.2	94.0	4.8	0.9	29.5	
		2,097.7	305.0	179.3	195.1	170.1	122.1	1,126.1	
Finance leases	5.85%	614.2	16.0	16.0	16.0	16.0	16.0	534.2	
Derivative financial instruments held to manage interest rate risk		61.8	9.1	1.1	5.0	—	—	46.6	
		4,638.6	384.8	311.9	490.8	227.7	579.6	2,643.8	

Trade and other payables are not included in the above tables as they are non-interest bearing and are not subject to interest rate risk.

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments (continued)

Borrowing facilities

As at 31 March 2022, the Group had undrawn committed borrowing facilities expiring as follows:

	2023	2022
	£m	£m
In one year or less, or on demand	—	23.8
In more than one year but not more than two years	85.0	575.0
In more than two years	650.0	385.0
	735.0	983.8

None of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2022: £37.5m).

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying values and fair values of all of the Group's financial instruments.

None of the financial assets or liabilities have been reclassified during the year.

	Note	2023		2022	
		Book value £m	Fair value £m	Book value £m	Fair value £m
Financial assets					
Fixed asset investments	15 and 16	229.7	228.4	247.1	247.6
Current asset investments	20	3.8	3.8	3.8	3.8
Cash and cash equivalents		66.6	66.6	106.7	106.7
Mortgages and loans	18 and 19	1.0	1.0	1.4	1.4
Derivative financial instruments held to manage interest rate risk	18 and 19	26.9	26.9	15.6	15.6
Revaluation of foreign currency denominated debt	18	2.7	2.7	15.8	15.8
Amounts owed from joint venture undertakings	19	1.1	1.1	1.4	1.4
Financial assets falling due within one year	19	84.0	84.0	77.4	77.4
		415.8	414.5	469.2	469.7
Financial liabilities					
Debenture stocks and bonds	21 and 22	1,485.3	1,371.3	1,487.9	1,583.6
Discount on bond issue	21 and 22	(28.9)	(28.9)	(34.0)	(34.0)
Housing loans	21 and 22	1,661.3	1,661.3	1,498.5	1,498.5
Derivative financial instruments held to manage interest rate risk	21 and 22	25.5	25.5	61.7	61.7
Other financial liabilities	21 and 22	266.7	266.8	279.7	279.7
Financial liabilities falling due within one year	21	145.9	145.9	162.0	162.0
		3,555.8	3,441.9	3,455.8	3,551.5

Of the financial assets above £26.9m (2022: £15.6m) are derivative financial instruments with the remaining amounts being measured at amortised cost.

Of the financial liabilities above £25.5m (2022: £61.7m) are derivative financial instruments with the remaining amounts being measured at amortised cost.

Notes to the financial statements

For the year ending 31 March 2023

24 Financial instruments (continued)

Investments in debt and equity securities

The fair value of held-to-maturity investments is determined by reference to their quoted bid price at the statement of financial position date. The fair value of held-to-maturity investments after initial recognition is determined for disclosure purposes only.

Financial assets falling due within one year, long-term debtors and mortgages

The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Financial liabilities

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Cash and cash equivalents

The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the statement of financial position date.

Derivative financial instruments

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair value hierarchy

The measurement of fair value for financial instruments has been done using a level 2 valuation technique. The definition of this technique per the standard is a valuation using inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations

The pension costs for Places for People Group relate to thirteen schemes of which employees and former employees are members. Details of each scheme are set out below.

	2023	2022
	£m	£m
Group defined benefit scheme surplus		
PFPL (Holdings) Limited "PFPL (Holdings)"	2.3	1.2
Places for People Group Retirement Benefit Scheme "PFP Group"	1.7	10.6
Residential Management Group section of the Citrus Pension Plan "RMG"	0.5	0.6
	4.5	12.4
Group defined benefit scheme liabilities		
The Social Housing Pension Scheme "SHPS"	(7.3)	(4.2)
The Scottish Housing Associations' Pension Schemes "SHAPS"	(2.2)	—
Cambridgeshire County Council Pension Fund "CCCPF"	—	(4.5)
	(9.5)	(8.7)

The Places for People Group Retirement Benefit Scheme

The Group operates a defined benefit pension arrangement called the Places for People Group Retirement Benefit Scheme.

This scheme is operated by the Group and is an independently administered defined benefit scheme based on final pensionable salary. The scheme was closed to new members as at 1 September 2004 and was closed to future accrual in October 2010. The most recent formal actuarial valuation was completed as at 31 March 2021 and has been updated by the independent actuary to take account of the requirements of FRS102. As part of the actuarial valuation as at 31 March 2021, the Group agreed a schedule of contributions which included the Group paying annual contributions of £6.6m between 1 April 2021 and 31 March 2026. The Group expects to contribute £6.6m to the scheme during the year to 31 March 2023.

The Group is working with its advisers to resolve a number of issues that have been identified with the Scheme Rules in the Group's Retirement Benefit Scheme. This may result in increased liabilities in respect of some benefits. At this stage the value of any additional liabilities cannot be quantified.

The Trust Deed provides the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Group and Trustee agree on deficit contributions to meet this deficit over a period.

The mortality assumption used at 31 March 2023 is 115% S3NA CMI_2021 extended projections with a long-term rate of improvement of 1.0% pa, w2021 parameter of 20%, and all other parameters set at their default values. The mortality assumption used at 31 March 2022 was 115% S3NA CMI_2021 extended projections with a long-term rate of improvement of 1.0% pa, w2021 parameter of 10%, and all other parameters set at their default values. Based on these assumptions, a male currently aged 60 years old has a life expectancy of 25.2 years (2022: 25.4 years), a female currently aged 60 years old has a life expectancy of 28.2 years (2022: 28.2 years), a male currently aged 40 years old will expect to have a life expectancy of 26.4 years (2022: 26.5 years) when they reach age 60 and a female currently aged 40 years old will expect to have a life expectancy of 29.3 years (2022: 29.4 years) when they reach age 60.

Over the year to 31 March 2023 the Trustee of the Scheme has undertaken a review of the option factors available to members and updated them to reflect latest market conditions as well as for consistency with the funding basis agreed for the 31 March 2022 valuation.

This review resulted in an update to all member option factors, in particular a c20% increase to commutation factors and a c3.5% pa increase to early retirement factors.

Updating our liability calculations to reflect these updated member option factors has resulted in a c4% increase to the FRS102 liabilities as at 31 March 2023. We assume that non-pensioners take the maximum tax-free cash at retirement, which is the same as assumed as at 31 March 2022.

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

The Places for People Leisure Group Retirement Benefit Scheme

PFPL (Holdings) Limited operates a defined benefit scheme. The assets of the scheme are held in a separately administered fund and the plan is administered by an independent trustee body who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations.

The liabilities have been calculated based on the results of the full Scheme Funding Assessment as of 30 April 2022, updated to 31 March 2023, allowing for additional benefit accrual and benefits paid. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

PFPL (Holdings) Limited has agreed a funding plan with the Trustees of the scheme, whereby ordinary contributions are made into the Scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Trustees to reduce the funding deficit where necessary.

The mortality assumption used at 31 March 2023 is 95% of S3PxA CMI_2021 core improvements [0.50% p. a long-term rate]. Based on these assumptions, a male currently aged 65 years old has a life expectancy of 22.6 years (2022: 22.5 years), a female currently aged 65 years old has a life expectancy of 25.0 years (2022: 24.9 years), a male currently aged 45 years old has a life expectancy of 43.8 years (2022: 43.7 years) and a female currently aged 45 years old has a life expectancy of 46.3 years (2022: 46.2 years).

Residential Management Group Limited Retirement Benefit Scheme

Residential Management Group Limited operates a defined benefit pension scheme, the Residential Management Group section of the Citrus Pension Plan ("Citrus"), with assets held in separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

The Trust Deed provides Residential Management Group Limited with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

An actuarial valuation of the RMG scheme was carried out as at 31 March 2022.

Assumed to be in line with CMI 2021 model with an adjustment to allow for increased smoothing and a long-term rate of improvement at 1.5% p.a. for males and females. The mortality assumption used at 31 March 2023 is 90% of S2PxA CMI_2020 core improvements [1.5% p.a. long-term rate]. The mortality assumption used at 31 March 2022 is 90% of S2PxA CMI_2010 core improvements [1.5% p.a. long-term rate]. Based on these assumptions, a male currently aged 65 years old has a life expectancy of 21.7 years (2022: 21.7 years), a female currently aged 65 years old has a life expectancy of 24.7 years (2022: 24.8 years), a male currently aged 45 years old has a life expectancy of 44.4 years (2022: 44.5 years) and a female currently aged 45 years old has a life expectancy of 46.9 years (2022: 47.0 years).

Cambridgeshire County Council Pension Fund

The Group participated in Cambridgeshire County Council Pension Fund (CCCPF) until participation was ceased at 28 February 2023. At cessation there were 11 active members. A cessation valuation was performed by Hymans Robertson to determine the liabilities of the Fund in respect of current and former employers. The valuation concluded that no exit debit or credit would be payable as the value of the scheme's assets at cessation (£32.3m) fell between the range of liability values calculated (£24.8m to £34.2m). Upon cessation, Group followed FRS 102 approach and recorded a P&L surplus of £4.5m in the year ending 31 March 2023.

The CCCPF was a multi-employer scheme administered by Cambridgeshire County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme were performed by an independent, professionally qualified actuary using the projected unit method. The latest Triennial actuarial valuation was at 31 March 2019.

The mortality assumption used at 31 March 2022 was that a male aged 65 years old has a life expectancy of 22.0 years, a female aged 65 years old has a life expectancy of 24.2 years, a male aged 45 years old has a life expectancy of 42.9 years and a female aged 45 years old has a life expectancy of 46.0 years.

Social Housing Pension Scheme

Places for People Homes Limited, Cotman Housing Association Limited and Derwent Housing Association Limited participate in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

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

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

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

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group has previously accounted for SHPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2023 is that a male currently aged 65 years old has a life expectancy of 21.0 years (2022: 21.0 years), a female currently aged 65 years old has a life expectancy of 23.4 years (2022: 23.7 years), a male currently aged 45 years old has a life expectancy of 42.2 years (2022: 42.4 years) and a female currently aged 45 years old has a life expectancy of 45.2 years (2022: 44.9 years).

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

Scottish Housing Associations' Pension Scheme

Places for People Scotland Limited and Castle Rock Edinvar Housing Association Limited participate in the Scottish Housing Associations' Pension Scheme (SHAPS), a multi-employer scheme which provides benefits to non-associated employers.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to 31 March 2023 for the majority of employers, although certain employers have different arrangements.

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

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group had previously accounted for SHAPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2023 is that a male currently aged 65 years old has a life expectancy of 20.5 years (2022: 21.6 years), a female currently aged 65 years old has a life expectancy of 23.0 years (2022: 23.9 years), a male currently aged 45 years old has a life expectancy of 41.7 years (2022: 42.9 years) and a female currently aged 45 years old has a life expectancy of 44.4 years (2022: 45.4 years).

The major assumptions used by the actuaries of each scheme were:

	2023					
	SHPS	SHAPS	PFPL Group	PFPL (Holdings)	RMG	CCCPF
	%	%	%	%	%	%
Discount rate	4.60%	4.60%	4.80%	4.82%	4.75%	n/a
Rate of RPI inflation	3.40%	3.40%	3.40%	3.31%	3.30%	n/a
Rate of increase in salaries	3.69%	3.77%	2.60/1.90% ¹	3.28%	2.85%	n/a
Rate of increase in pension payments	n/a	n/a	n/a	2.74%	n/a	n/a
Rate of CPI inflation	2.90%	2.90%	n/a	2.78%	2.85%	n/a
	2022					
	%	%	%	%	%	%
Discount rate	2.80%	2.80%	2.80%	2.80%	2.70%	2.70%
Rate of RPI inflation	3.60%	3.60%	3.80%	3.69%	3.65%	n/a
Rate of increase in salaries	4.26%	3.19%	3.60/2.30% ¹	3.68%	3.20%	3.70%
Rate of increase in pension payments	n/a	n/a	n/a	3.08%	n/a	3.20%
Rate of CPI inflation	2.96%	2.89%	n/a	3.18%	3.20%	3.20%

¹ RPI max 5% pa/ RPI max 2.5% pa

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

The major categories of assets as a percentage of total assets are as follows:

	2023					
	SHPS %	SHAPS %	PFP Group %	PFPL (Holdings) %	RMG %	CCCPF %
Diversified growth funds, hedge funds and structure funds	12.1%	12.1%	8.0%	23.7%	10.4%	n/a
Equities	9.2%	9.9%	8.0%	54.1%	8.5%	n/a
Gilts	—	—	—	10.3%	—	n/a
Liability driven investments	46.9%	43.3%	34.0%	0.0%	24.3%	n/a
Absolute return bonds	7.9%	8.3%	—	0.0%	9.2%	n/a
Corporate bonds	0.0%	0.1%	20.0%	5.9%	—	n/a
Cash and cash equivalents	0.7%	0.4%	30.0%	1.7%	8.4%	n/a
Other fixed interest	4.6%	6.7%	—	—	—	n/a
Insurance linked securities	2.5%	2.8%	—	—	7.8%	n/a
Direct lending	8.7%	8.9%	—	1.9%	9.5%	n/a
Property	7.3%	7.5%	—	2.4%	—	n/a

	2022					
	SHPS %	SHAPS %	PFP Group %	PFPL (Holdings) %	RMG %	CCCPF %
Diversified growth funds, hedge funds and structure funds	10.9%	11.6%	20.0%	22.1%	—	—
Equities	22.5%	23.0%	19.0%	60.9%	14.9%	69.0%
Gilts	—	—	—	5.4%	—	15.0%
Liability driven investments	31.1%	28.3%	25.0%	—	21.2%	—
Absolute return bonds	10.9%	11.4%	—	—	7.4%	—
Corporate bonds	6.7%	6.3%	29.0%	6.2%	23.2%	—
Cash and cash equivalents	0.3%	0.3%	7.0%	1.1%	15.5%	1.0%
Other fixed interest	3.7%	5.3%	—	—	6.2%	—
Insurance linked securities	2.3%	2.1%	—	—	6.6%	—
Direct lending	6.3%	6.2%	—	1.8%	5.0%	—
Property	5.3%	5.5%	—	2.5%	—	15.0%

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

Amounts recognised in the Statement of Financial Position

	Value at 31 March 2023						Total £m
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	
Fair value of assets	25.1	21.1	175.3	7.1	5.3	—	233.9
Present value of the scheme's liabilities	(32.4)	(23.3)	(173.6)	(4.8)	(4.9)	—	(239.0)
Surplus/(deficit) in the scheme	(7.3)	(2.2)	1.7	2.3	0.4	—	(5.1)

	Value at 31 March 2022						Total £m
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	
Fair value of assets	38.1	30.8	247.3	7.4	7.1	32.1	362.8
Present value of the scheme's liabilities	(42.3)	(30.5)	(236.7)	(6.3)	(6.5)	(36.6)	(358.9)
Actuarial losses on asset ceiling	—	(0.3)	—	—	—	—	(0.3)
Surplus/(deficit) in the scheme	(4.2)	—	10.6	1.1	0.6	(4.5)	3.6

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

Amounts recognised in the Statement of Comprehensive Income

	Year ending 31 March 2023						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Current service cost	—	—	—	—	(0.1)	—	(0.1)
Amount charged in arriving at operating profit	—	—	—	(0.1)	(0.1)	(0.4)	(0.6)
Expected return on plan assets	1.1	0.9	6.9	0.2	0.2	—	9.3
Cessation of defined benefit pension scheme	—	—	—	—	—	4.5	4.5
Interest on scheme liabilities	(1.2)	(0.8)	(6.5)	(0.2)	(0.2)	—	(8.9)
Amount charged/(credited) to other finance costs	(0.1)	0.1	0.4	—	—	4.5	4.9
Total charged to the statement of comprehensive income	(0.1)	0.1	0.4	—	(0.1)	4.5	4.8

	Year ending 31 March 2022						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Current service cost	—	—	—	(0.1)	(0.1)	(0.4)	(0.6)
Amount charged in arriving at operating profit	—	—	—	(0.1)	(0.1)	(0.3)	(0.5)
Expected return on plan assets	0.8	0.6	5.2	0.1	0.1	0.6	7.4
Interest on scheme liabilities	(0.9)	(0.7)	(5.2)	(0.1)	(0.1)	(0.8)	(7.8)
Amount charged/(credited) to other finance costs	(0.1)	(0.1)	—	—	—	(0.2)	(0.4)
Total charged to the statement of comprehensive income	(0.1)	(0.1)	—	(0.1)	(0.1)	(0.6)	(1.0)

Amounts recognised in Other Comprehensive Income

	Year ending 31 March 2023						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Actuarial gain/(loss) in pension scheme	(4.2)	(2.7)	(15.9)	1.0	(0.3)	—	(22.1)

	Year ending 31 March 2022						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Actuarial gain/(loss) in pension scheme	3.1	2.0	5.8	1.0	0.9	4.5	17.3

Notes to the financial statements

For the year ending 31 March 2023

25 Pension obligations (continued)

The change in the fair value of the plan assets is analysed as follows:

	Year ending 31 March 2023						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2022	38.1	30.8	247.3	7.4	7.1	32.1	362.8
Cessation of defined benefit pension scheme	—	—	—	—	—	(32.1)	(32.1)
Interest on plan assets	1.1	0.9	6.9	0.2	0.2	—	9.3
Company contributions	1.2	0.5	6.6	0.2	0.3	—	8.8
Contribution by scheme participants	—	—	—	—	—	—	—
Benefits paid	(1.1)	(1.1)	(7.7)	(0.1)	(0.1)	—	(10.1)
Return on assets less interest	(14.2)	(10.0)	(77.8)	(0.6)	(2.2)	—	(104.8)
As at 31 March 2023	25.1	21.1	175.3	7.1	5.3	—	233.9

	Actual return on scheme assets						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
For year ending 31 March 2023	(13.1)	(9.1)	(70.9)	(0.4)	(2.1)	—	(95.6)
For year ending 31 March 2022	1.2	0.9	(1.5)	0.4	0.4	2.6	4.0

The change in the present value of the defined benefit obligations is analysed as follows:

	Year ending 31 March 2023						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2022	42.3	30.5	236.7	6.3	6.5	36.6	358.9
Current service costs	—	—	—	—	—	(36.6)	(36.6)
Current service costs	—	—	—	—	0.1	—	0.1
Past service costs	—	—	—	—	—	—	—
Contribution by scheme participants	—	—	—	—	—	—	—
Administration costs	—	0.3	—	—	—	—	0.3
Interest costs	1.2	0.7	6.5	0.2	0.3	—	8.9
Benefits paid	(1.1)	(1.1)	(7.7)	(0.1)	(0.1)	—	(10.1)
Actuarial losses/(gains) from changes to demographic assumptions	(0.1)	(0.6)	(3.7)	—	—	—	(4.4)
Actuarial losses from changes to financial assumptions	(10.2)	(6.2)	(63.3)	—	—	—	(79.7)
Actuarial (gain)/loss on obligation	0.3	(0.3)	5.1	(1.6)	(1.9)	—	1.6
As at 31 March 2023	32.4	23.3	173.6	4.8	4.9	—	239.0

Notes to the financial statements

For the year ending 31 March 2023

26 Capital commitments

	2023 £m	Group 2022 £m	2023 £m	Company 2022 £m
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	242.7	202.9	—	—
Capital expenditure that has been authorised by the board of directors	2,083.7	1,575.8	—	—

The above commitments will be financed in accordance with the treasury management policy which is detailed in the operating review and note 24 of these financial statements.

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires, are set out below.

	Land and buildings	Motor vehicles & equipment	Land and buildings	Group Motor vehicles & equipment	Motor vehicles & equipment	Company Motor vehicles & equipment
	2023 £m	2023 £m	2022 £m	2022 £m	2023 £m	2022 £m
In one year or less	4.9	3.9	6.0	3.7	0.3	0.3
In one year or more but less than five years	13.7	2.1	15.6	5.1	0.2	0.2
In more than five years	17.0	1.1	20.5	—	0.1	—
	35.6	8.8	20.5	9.8	0.5	0.5

27 Contingent liabilities

The Group is party to legal action arising from the scheme rules on the Group retirement benefit pension scheme, more detail can be found on page 155.

The Group is working with its advisers to resolve issues raised by HMRC relating to the Groups use of the VAT sporting exemption in its Leisure business. This could potentially result in a material liability to the Group, at this stage the value of potential payments cannot be quantified.

The Group is party to certain legal actions arising in the ordinary course of business. While the outcome of these cases is uncertain, the directors believe, on the basis of advice received, that no material loss to the Group will occur. Having made due enquiries the directors are not aware of any further contingent liabilities.

28 Related party transactions

Defined benefit schemes

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Group and its subsidiaries are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Scottish Housing Associations Pension Scheme, The Places for People Group Retirement Benefit Scheme, The PFPL (Holdings) Limited scheme and the Residential Management Group section of the Citrus Pension Plan. Details of transactions with the schemes are disclosed in note 25.

Notes to the financial statements

For the year ending 31 March 2023

28 Related party transactions (continued)

The Group had the following transactions during the year with joint ventures, associates and other external investments.

	Services provided £	Services received £	Amounts outstanding at 31 March 2023 £	Interest received £	Dividends received £
Alumno Student (Park Hill) Limited	—	—	—	1,520,133	—
Alumno Student (Essex) Limited	—	—	—	108,254	—
Alumno Student (Alscot) Limited	—	—	—	12,115	—
Alumno Student (Pershore) Limited	—	—	—	46,819	—
Alumno Student (Lewes Road) Limited	—	—	—	18,373	—
Alumno Student (Manchester) Limited	—	—	—	(667)	—
Alumno Student (Pershore) Limited	—	—	—	18,373	—
Alumno Student (Whitelock) Limited	—	—	—	16,229	—
Alumno Student Management Limited	—	—	—	144,371	—
Big Issue	—	—	—	18,188	—
Blueprint Limited Partnership	—	—	—	2	—
Boxed Energy Limited	—	—	—	7,000	—
Brooklands LLP	13,624,424	1,295,263	—	256,814	—
Countryside Places for People (Lower Hearne) LLP	44,094	—	44,094	122,162	—
East Wick & Sweetwater Projects (Holdings) Limited	754,131	—	64,768	—	—
East Wick and Sweetwater Projects (Phase 1) Limited	293,615	—	5,813	—	—
Global Habitat Housing SL	—	117,624	—	—	—
Homes for Scotland Limited	—	16,131	—	—	—
Ickneild Port Loop LLP	120,000	—	120,000	3,572	—
Ilke Homes Limited	—	1,086,494	—	—	—
Impact Social Value Reporting Limited	—	28,800	—	—	—
National Places LLP	44,082	—	44,082	—	—
PFP US JV LLP	36,000	—	36,000	169,152	—
PFPC MMR LP	3,064	—	—	—	—
Picture Living LP	—	—	—	—	1,120,000
Uliving@Essex phase 2	1,065,977	—	—	—	101,274
Uliving@Gloucestershire Holdco	1,369,897	—	—	—	171,923
Uliving@Hertfordshire Holdco	3,905,207	—	—	—	1,248,744
	21,260,491	2,544,312	314,757	2,460,890	2,641,941

The Group had no transactions during the year with companies associated with key management personnel and directors.

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings

Places for People Group Limited is the parent company of the Group and is required by statute to prepare consolidated accounts. All the Group related undertakings are incorporated in England and Wales, or in Scotland, the registered office address for each entity is 80 Cheapside, London, EC2V 6EE unless otherwise stated and are set out below:

Subsidiaries Name	Class of share held	Proportion of shares held
Allenbuild Limited	Ordinary A* & B*	100%
Allenbuild (South East) Limited	Ordinary*	100%
Braintree District Leisure Community Association Ltd**	N/A	N/A
Brio Retirement Living (Chapelton) Limited ¹	Ordinary*	1
Brio Retirement Living (Holdings) Limited	Ordinary*	100%
Brio Retirement Living (JV) Limited	Ordinary*	100%
Brio Retirement Living (Midco) Limited	Ordinary*	100%
Brio Retirement Living (Poundbury) Limited	Ordinary*	100%
Brio Retirement Living (Stow on the Wold) Limited	Ordinary*	100%
Castle Rock Edinvar Housing Association Limited*** ¹	National/Community	100% of National s/holding
Centro Place Investments Limited ²	Ordinary*	100%
Centro Place Management Limited ²	Ordinary*	100%
Chorus Homes Developments Limited	Ordinary*/Preference*	100%
Chorus Homes Finance Limited**	N/A	N/A
Chorus Homes Group Limited***	N/A	N/A
Chorus Homes Limited***	Ordinary*	100%
Christchurch Estates Limited ³	Ordinary*	100%
Chrysalis (General Partner) Limited ⁸	Ordinary*	100%
Cotman Housing Association Limited***	National/Community	100% of National s/holding
Curzon Street Management Limited ³	Ordinary*	100%
David Glass Associates Limited ³	Ordinary*	100%
Derwent Community Housing Association Limited*** ²	Ordinary*	1
Derwent Facilities Management Limited ²	Ordinary*	100%
Derwent Housing Association Limited***	Ordinary*	100%
Design Your Home Limited ⁴	Ordinary*	100%
East Wick and Sweetwater Management Company Limited	Ordinary	100%
Emblem Homes Limited	Ordinary*/Preference*	100%
F & S Property Management Limited ³	Ordinary*	100%
Girlings Retirement Rentals Limited	Ordinary*	100%
Gross Fine ³	Ordinary	100%
Gross Fine (Holdings) Limited ³	Ordinary*	100%
Gross Fine Management Limited ³	Ordinary*	100%
Gross Fine Services Limited ³	Ordinary*	100%
Hertford Company Secretaries Limited ³	Ordinary*	100%
Home Made Homes Limited ⁸	Ordinary*	100%
HNJV Limited	Ordinary*/Preference*	100%
Hope Social Enterprises Limited	Ordinary*	100%
Igloo Regeneration Limited ⁸	Ordinary*	100%
Igloo Investment Management Limited ⁸	Ordinary	100%
JVCO Limited	Ordinary/Preference*	100%
Leisure & Community Partnership Limited**	N/A	N/A
Lothian Housing Association Limited ¹	Ordinary*	100%
Matilda's Academy Limited	Ordinary*	1
Matilda's Blanket Limited	Ordinary*	100%
Matilda's Planet Group Limited	Ordinary*, Ordinary A* & B*	75%
Matilda's Planet Manufacturing Limited	Ordinary*	100%
Matilda's Radiant Heating Limited	Ordinary A* & B*	94%
Matilda's Warm Homes Limited	Ordinary*	75%
Matildasplanet Houses Limited	Ordinary*	100%
Matildasplanet Housing Solutions Limited	Ordinary*	100%
Matildasplanet Thermal Systems Limited	Ordinary*	100%
Minton Healthcare (Buckingham) Limited	Ordinary*	100%
ModularWise Limited	Ordinary*	100%

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued) Name	Class of share held	Proportion of shares held
Officers Field Development Limited	Ordinary*/Ordinary A*	100%
Osterna Limited ⁵	Ordinary*	100%
PFP Capital Limited	Ordinary/Preference*	100%
PFPC 1 GP Limited	Ordinary*	100%
PFPC 1 LP****	N/A	N/A
PFPC MMR GP Limited ¹	Ordinary*	100%
PFPC MMR 1 LP ⁶	N/A	N/A
PFP Spatia GP Limited	Ordinary*	100%
PFP Spatia LP	N/A	N/A
PFPL Developments Limited	Ordinary*	100%
PFPL (Holdings) Limited	Ordinary*	100%
PFPL Projects (Epping) Ltd	Ordinary*	100%
PFPL Projects (Hinckley) Ltd	Ordinary*	100%
PFPL Projects (Gosport) Ltd	Ordinary*	100%
PFPL Projects (Sandwell) Ltd	Ordinary*	100%
PFPL Projects (Sparkhill) Ltd	Ordinary*	100%
PFPL Projects (Surrey Heath) Ltd	Ordinary*	100%
PFPL Projects (Wyre Forest) Ltd	Ordinary*	100%
PFP-Igloo (General Partner) Limited	Ordinary*	100%
PFP-Igloo Limited Partnership****	N/A	N/A
PFP-Igloo Nominees Limited	Ordinary*	100%
PFP MMR Developments Limited ¹	Ordinary*	100%
PFP Manco Holdings Limited	Ordinary	100%
PFP SW Avon Limited	Ordinary*	100%
Places Developments (Holdings) Limited	Ordinary*, Ordinary B* & Preference*	100%
Placeford Properties LLP	N/A	N/A
Places Academy Limited	Ordinary*	100%
Places for People Arrangements 1 Limited	Ordinary	100%
Places for People Capital Markets Plc	Ordinary	100%
Places for People Developments Limited	Ordinary*/Preference*	100%
Places for People Finance plc	Ordinary	100%
Places for People Financial Services Limited	Ordinary/Preference*	100%
Places for People Green Services Limited	Ordinary*	100%
Places for People Homes Limited***	Ordinary	100%
Places for People Landscapes Limited	Ordinary*	100%
Places for People Leisure Community Association Limited**	N/A	N/A
Places for People Leisure Limited**	N/A	N/A
Places for People Leisure Management Limited	Ordinary*	100%
Places for People Leisure Partnerships**	N/A	N/A
Places for People Living+ Limited***	Ordinary	100%
Places for People Pension Car Limited	Ordinary/Preference*	100%
Places for People Pension Trustee Limited	Ordinary*	100%
Places for People Retirement Limited	Ordinary*/Preference*	100%
Places for People Scotland Limited ¹	Ordinary A*/Preference*	100%
Places for People Scotland (GP) Limited ¹	Ordinary*	100%
Places for People Scottish Limited Partnership**** ¹	N/A	N/A
Places for People SPV 1 Limited**	N/A	N/A
Places for People SPV 2 Limited**	N/A	N/A
Places for People Treasury plc	Ordinary	100%
Places for People Ventures Limited	Ordinary/Preference*	100%
Places for People Ventures Operations Limited	Ordinary*/Preference*	100%
Places Homes Limited	Ordinary	100%
Places Leisure Limited	Ordinary*	100%
Places Living+ Limited	Ordinary	100%
Places Management Limited	Ordinary*	100%
Places Students Limited	Ordinary*	100%

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued)

Name	Class of share held	Proportion of shares held
Real Impact Investment Limited ⁸	Ordinary*	100%
Residential Management Group Limited ³	Ordinary*	100%
Residential Management Group Scotland Limited ⁷	Ordinary*	100%
Residential Management Property Limited ³	Ordinary*	100%
RMG Asset Management Limited ³	Ordinary*	100%
RMG Client Services Limited ³	Ordinary*	100%
Sam Jones (Clubs) Limited	Ordinary*	100%
Shrubhill Investments Limited ¹	Ordinary*	100%
Smith's Dock LLP	N/A	N/A
Steenberg's Yard Management Company Limited ³	N/A	N/A
The Engine Yard Edinburgh Ltd	Ordinary & Ordinary C*	99%
The Places Foundation**	N/A	N/A
Tila Commercial Limited	Ordinary*	100%
Touchstone Corporate Property Services Limited	Ordinary* & Ordinary B	100%
Upper Strand Developments Limited ¹	Ordinary*/Preference*	100%
Urban Matrix (Ditton) LLP	N/A	N/A
Vibrant Neighbourhoods Limited ⁸	Ordinary*	100%
Wood Carewell Managements Limited ³	Ordinary*	100%
Wood Group Trustees Limited ³	Ordinary*	100%
Wood Management Trustees Limited ³	Ordinary*	100%
Wood Managements Limited ³	Ordinary*	100%
Wood Managements Group Limited ³	Ordinary*	100%
Wood Trustees Limited ³	Ordinary*	100%

¹ 1 Hay Avenue, Edinburgh, EH16 4RW

² 1 Centro Place, Pride Park, Derby, England, DE24 8RF

³ RMG House, Essex Road, Hoddesdon, Hertfordshire, EN11 0DR

⁴ The White House, 10 Clifton, York, North Yorkshire, YO306AE

⁵ Chelford House, Gadbrook Park, Northwich, Cheshire, England, CW9 7LN

⁶ c/o Places for People, 1 St Andrew Square, 2nd Floor, Edinburgh, EH2 2BD

⁷ 7 4 The Pavilions, Portway, Preston, Lancashire, United Kingdom, PR2 2YB

⁸ Unit 6, 95 Morrison Street, Glasgow, G5 8BE

* Shares held by other Group entities but ultimately held by the Group

** A company limited by guarantee without any share capital

*** A registered society registered under the Co-operative & Community Benefit Societies Act 2014. Through separate written agreements, the Group ultimately exercises control over the functions and operations of these entities

**** A Scottish limited partnership.

***** A limited partnership.

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings (continued)

Joint Ventures/partnerships

Name	Class of shares held	Proportion of nominal value of share class held	Proportion of all share classes
Alumno Group Limited****	Ordinary A*	100%	50%
Bigg Regeneration Limited Partnership**1	N/A	N/A	N/A
Bigg Regeneration (General Partner) Limited ¹	Ordinary A*	100%	50%
Blueprint Group Holdings LLP ¹⁹	N/A	N/A	N/A
Blueprint Limited Partnership***19	N/A	N/A	N/A
Blueprint (General Partner) Limited ¹⁹	Ordinary*	50%	50%
Blueprint (Nominees) Limited ¹⁹	Ordinary*	50%	50%
Boxed Energy Limited ³	A Ordinary*	100%	50%
Brick House Port Loop Residents Management Company Limited ¹⁰	N/A	N/A	N/A
Brooklands Milton Keynes LLP ⁵	N/A	N/A	N/A
Cityscape Edinburgh LLP ⁶	N/A	N/A	N/A
Countryside Places for People (Lower Herne) LLP ⁷	N/A	N/A	N/A
Dundashill 4A Limited	Ordinary*	50%	50%
East Wick & Sweetwater Projects (Holdings) Ltd****8	A Ordinary*/A Preference*	100%	50%
East Wick & Sweetwater Finance (Holdings) Ltd ⁸	Ordinary*	50%	50%
East Wick & Sweetwater Projects (Finance) Ltd ⁸	Ordinary*	50%	50%
Global Habitat Housing SL ⁹	Ordinary	50%	50%
Icknield Port Loop LLP ⁴	N/A	N/A	N/A
Ironworks (Leeds) Management Company Limited ¹⁰	N/A	N/A	N/A
Lakeshore Timber LLP ⁴	N/A	N/A	N/A
Lighthouse Court LLP ⁶	N/A	N/A	N/A
Namegrace Limited ¹⁰	Ordinary B*	100%	50%
National Places LLP	N/A	N/A	N/A
Pattern Shop LLP ¹²	N/A	N/A	N/A
PfP Igloo Developments	B Ordinary*	100%	50%
PFP US (IPL) LLP ⁴	N/A	N/A	N/A
PFP US JV LLP ⁴	N/A	N/A	N/A
PFP US JV (Nominee 1) Limited ⁴	Ordinary*	50%	50%
PFP US Residential (Park Hill) Limited ⁴	Ordinary*	50%	50%
Phase 1a Port Loop Residents Management Company Limited ^{10*****}	N/A	N/A	N/A
Picture Living LP*****	N/A	N/A	N/A
Port Loop Estate Management Limited ^{4*****}	N/A	N/A	N/A
Port Loop Phase 2 Limited ⁴	Ordinary (one share is held by PfP US JV LLP)	N/A	N/A
Port Loop Phase 2 Residents Management Company Limited ^{10*****}	N/A	N/A	N/A
PPSL (Keynsham) Limited	Ordinary*	50%	50%
Ruskin Square Phase One LLP ¹¹	N/A	N/A	N/A
Shrubhill NHT LLP ⁶	N/A	N/A	N/A
South Ridge Development LLP ¹⁸	N/A	N/A	N/A
Stephenson Works LLP ¹²	N/A	N/A	N/A
Urban Splash (Park Hill) Limited ⁴	Ordinary*	50%	50%

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings (continued)

Other Group interests/investments

Symconnect Limited ¹³	A Ordinary*	24%	24%
Ansaar Management Company (Private) Limited ¹⁴	Ordinary	25%	25%
Sunamp Limited ¹⁵	Ordinary	2%	2%
Impact Social Value Reporting Ltd ¹⁶	Ordinary*	8%	8%
Ilke Homes Holdings Limited ¹⁷	Ordinary*	8%	5%

* Shares held by other Group entities but ultimately held by the Group

** A Scottish limited partnership

*** A limited partnership

**** Alumno Group Limited has incorporated a further 16 companies to develop/manage various student sites:

Alumrose LLP	Alumno Student (Moss Lane) Limited
Alumrose Manchester LLP	Alumno Student (Pershore) Limited
Alumno Brighton Holdings Limited	Alumno Student (Lewes Road) Limited
Alumno Student Management Limited	Alumno Brighton Holdings Limited
Alumno Student (Alscot) Limited	Alumno Student (Whitlock) Limited
Alumno Student (Bath) Limited	Alumno Student (Park Hill) Holdings Limited
Alumno Student (Barn) Limited	Alumno Student (Park Hill) Limited
Alumno Student (Essex) Limited	Alumno Student (Mgmt) Limited
Alumno Student (Glasgow) Limited	Alumno Student (Jock's Lodge) Limited
Alumno Student (Manchester) Limited	Alumno Student (Rockingham) Limited

***** East Wick & Sweetwater Projects (Holdings) Limited has incorporated a further seven companies to complete the various phases of the Queen Elizabeth Olympic Park development:

East Wick & Sweetwater Projects (Phase 1) Limited	East Wick & Sweetwater Projects (Phase 2) Limited
East Wick & Sweetwater Projects (Phase 3) Limited	East Wick & Sweetwater Projects (Phase 4) Limited
East Wick & Sweetwater Projects (Phase 5) Limited	East Wick & Sweetwater Projects (Phase 7) Limited
East Wick and Sweetwater Projects (Phase 7a) Limited (formerly East Wick & Sweetwater Projects (Phase 6) Limited)	

***** Picture Living LP is a 10:90 limited partnership (10% being Group's interest) and the other entities that sit within the overall structure and include:

Picture Living GP LLP	Picture Living Investments LP
Picture Living Investments GP LLP	Picture Living Property Limited
Picture Living Trustee 1 Ltd (incorporated in Jersey, 3rd Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1BL)	
Picture Living Unitholder Ltd (incorporated in Jersey, 3rd Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1BL)	

¹ 1 Canal House, 1 Applecross Street, Glasgow, G4 9SP

² First Floor, 48-50 St Mary's Gate, Nottingham, NG1 1QA

³ Studio 4, Stuart House, St. John's Street, Peterborough, England, PE1 5DD

⁴ Timber Wharf, 16-22 Worsley Street, Manchester, M15 4LD

⁵ Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF

⁶ 1 Hay Avenue, Edinburgh, EH16 4RW

⁷ Countryside House, The Drive, Brentwood, Essex, UK, CM13 3AT

Q14 Quorum Business Park, Benton Lane, Newcastle upon Tyne NE12 8BU

⁹ Incorporated in Spain with registered address Sant Miquel 161, 08330 Premià de Mar, Barcelona, Spain

¹⁰ RMG House, Essex Road, Hoddesdon, Herts, EN11 0DR

¹¹ 1 London Wall Place, London, EC2Y 5AU

¹² Democratic Services Civic Centre, Barras Bridge, Newcastle Upon Tyne, UK, NE1 8QH

¹³ Gower Room, Institute of Life Sciences 1 Swansea University Singleton Park Swansea SA2 8PP 14 Incorporated in Pakistan with registered address 31/10-A, Abu Bakar Block, New Garden Town, Lahore

¹⁵ 1 Satellite Park, Macmerry, Tranent, East Lothian, EH33 1RY

¹⁶ 26 Lever Street, Ground Floor, Manchester, M1 1DW

¹⁷ Flaxby Industrial Estate, Knaresborough, Harrogate, HG5 0XJ

¹⁹ Birkin Building 2 Broadway, Lace Market, Nottingham, England, NG1 1PS

Notes to the financial statements

For the year ending 31 March 2023

29 Disclosure of Group undertakings (continued)

Regulated and non-regulated entities

Places for People Group, a regulated entity, allocates overheads to seven non-regulated entities within the Group. This is mainly in respect of an administration charge for finance, information technology, facilities management and human resources services.

The table below shows the Group overhead allocation to each of the seven entities.

	2023 £m	2022 £m
Places for People Financial Services Limited	—	0.2
Places for People Landscapes Limited	0.9	0.4
Places for People Scotland Limited	0.1	0.1
Touchstone Corporate Property Services Limited	0.1	0.5
PFPL (Holdings) Limited	—	0.1
Residential Management Group Limited	0.2	—
Zero C Holdings Limited	—	0.2
Places for People Developments Limited	3.8	—
Places for People Ventures Limited	2.4	—
	7.5	1.4

30 Events after the reporting date

There were no events after the reporting date.

Notes to the financial statements

For the year ending 31 March 2023

31 Housing stock

The Group owns or manages 240,129 housing properties, a breakdown of these B9 housing properties is shown below:

	2022 No.	Units developed or newly built units acquired No.	Units sold/ demolished No.	Transfers (to)/from other RPs	Other movements No.	2023 No.
Social housing owned						
— General needs housing	53,062	833	(96)	—	171	53,970
— Affordable rent — general needs	3,311	470	(6)	—	(162)	3,613
— Affordable rent — supported housing	150	—	—	—	—	150
— Supported housing	3,380	73	(35)	—	26	3,444
— Housing for older people	3,964	—	—	—	(2)	3,962
— Low cost home ownership accommodation	5,491	212	(71)	—	(108)	5,524
Total social housing owned	69,358	1,588	(208)	—	(75)	70,663
Social housing managed						
— General needs housing (including intermediate rent)	54,003	1,076	(97)	—	24	55,006
— Affordable rent — general needs	7,090	2,229	(9)	—	145	9,455
— Affordable rent — supported housing	151	—	—	—	(1)	150
— Supported housing	1,905	54	(23)	—	7	1,943
— Housing for older people	3,943	—	—	—	7	3,950
— Low cost home ownership accommodation	6,103	96	(15)	—	(9)	6,175
Total social housing managed	73,195	3,455	(144)	—	173	76,679
					2023 No.	2022 No.
Total social housing units managed but not owned					7,987	5,826
Total social housing units owned but not managed					1,971	1,989
Non-social housing managed						
— Market rent (incl. keyworker accommodation)					20,291	21,251
— Managed services					118,945	111,205
— Leased housing — freehold only					9,021	7,788
— Student accommodation					12,966	15,061
Total non-social housing managed					161,223	155,305
Total social housing managed					76,679	73,195
Total housing managed					237,902	228,500
Total housing owned but managed by another body					2,227	2,293
Total housing owned or managed					240,129	230,793
Garages, commercial premises and other non-residential units managed or serviced					11,903	12,569
Total residential and non-residential units managed or serviced					252,032	243,362

Board of directors, executives and advisors

For the year ending 31 March 2023

Board of Directors	Non-executives	
	R Gregory	Group Chair
	A Daniel	
	R Finn	
	R Cartwright	
	M Dunn	
	G Kitchen	
	G Waddell	Senior Independent Director
	N Hopkins	(resigned 30 September 2022)
	H Fridell	(resigned 30 June 2022)
	Executives	
	M Reed	Group Chief Executive
	S Black	Group Chief Operating Officer
	A Winstanley	Group Chief Financial Officer
	D Marriott-Lavery	(resigned 6 August 2022)
	T Weightman	(resigned 8 September 2022)
Company Secretary	K Alsop	(appointed 1 April 2023)
	C Martin	(resigned 1 April 2023)
Registered Office	305 Gray's Inn Road, London WC1X 8QR	
Banker	Barclays Bank Plc, 38 Fishergate, Preston PR1 2AD	
Registered Auditor	MHA Moorgate House 201 Silbury Boulevard Milton Keynes MK9 1LZ	
Registration of the Company	The Company is registered under the Housing and Regeneration Act 2008 (Number L4236) and incorporated under the Companies Act 2006 (Number 03777037). It is also affiliated to the National Housing Federation.	

Places for People
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www.placesforpeople.co.uk

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